

SPECIAL
REPORT

**A classical KGB
disinformation campaign**

Who killed Olof Palme?

October 1986

EIR

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Executive Intelligence Review

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Who killed Olof Palme?

This *EIR Special Report* was written by William Engdahl, Göran Haglund, William Jones, and Paolo Serri. It incorporates the work of a team of *EIR* researchers from Western Europe and the United States.

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Preface by Swedish European Labor Party spokesman Michael Ericson:

Tracing the tracks of Palme's assassins

EIR SPECIAL REPORT

LOOK FOR OP "EDGAR ALLEN POE"

It is now over six months since the brutal shooting of Prime Minister Olof Palme. Swedish leaders have treated the whole affair with almost criminal negligence, despite widespread fear that the murder was just the beginning of a general destabilization of Western Europe — a fear underscored in the most frightening manner by the wave of terrorism now engulfing us. The documentation in this *EIR Special Report* of a Soviet disinformation campaign can play a key role in mobilizing the effort necessary to win this Soviet-sponsored irregular war against the West.

After the news of the Palme murder hit the press, Lyndon H. LaRouche, Jr., Founder and Contributing Editor of *Executive Intelligence Review* magazine, launched "Operation Edgar Allan Poe." LaRouche issued a memorandum of investigative hypotheses regarding the assassination of the Swedish prime minister [See page 9.]. LaRouche indicated a way to "trace the tracks" of those who decided to kill Palme, by observing their unavoidable attempts to cover them up. because EWP was getting smeared and La Rouche's wife directs the EWP in DEU

An international team of researchers in both Western Europe and the United States was established for this purpose. The wisdom of that step is clearly verified by the published report now in your hands. It is perhaps here in Sweden, where we are daily confronted with the fruitlessness of other attempts to resolve this murder, by institutions possessing much greater resources than the meagre means of the *EIR*, that this report will reap its greatest benefits.

It is especially significant that this report will reach an international public. The fatal shot fired on Feb. 28 was no mere Swedish affair. That were impossible, given Scandinavia's strategic importance today. Already toward the end of World War II, Soviet leaders made great efforts to establish the "neutral Sweden" which we know today.

For those acquainted with Scandinavian politics, it is not the Kremlin's political blackmail against smaller neighbors which stands out in this report. Perhaps it will be more shocking to discover, that nominally Western forces, financial and rentier interests, have maintained behind-the-scenes collaboration with their oligarchical counterparts in Russia, to undermine the nation-states of the West. Aside from the economic and political deals with Moscow, those Western forces also share a cultural affinity with their Eastern friends in opposing the fundamental values of Western humanist culture.

My party — the European Labor Party (ELP) — was created in Sweden in 1975, inspired by the economic and philosophical ideas of LaRouche. We have pursued a policy of full sovereignty for our nation, in *concordance* with other sovereign republics — refusing to submit to the role of a "satrapy" to an empire wishing to gobble up its neighbors. In that respect, Sweden has long had a tradition of being fiercely independent. That is the primary issue which has distinguished the ELP from the leadership of Palme's Social Democratic Party. Other political differences are subsumed by that underlying difference. That is why, as we were later to discover, the Soviet secret services began to target our activities in Sweden in the very beginning, when our influence was still small.

EIR's precise reconstruction of the KGB assassination and disinformation apparatus was aided by the fact, that during years past, our policies, coherent with the policies pursued internationally by LaRouche and his collaborators, had already provoked a series of enraged reactions by the Kremlin, as well as its agents and stooges in the West. This *EIR* report, by

reconstructing the *who*, *when*, and *why* of these attacks, has indeed resulted in a manual-like description of the KGB *modus operandi* — a reconstruction which might help to uncover the tracks of those responsible for the Palme murder.

We have shown, that there is a different role for Sweden to play, than that of meekly complying with current Soviet demands. The campaigns which we have undertaken in recent years, apart from the importance of the issues themselves, have been a means of creating a sense of national identity on a deeper level, where Sweden once again can make a positive contribution to the progress of humanity.

We campaigned for rapid development of nuclear energy — both in Sweden and for export — during the anti-nuclear hysteria which swept the country like a plague during the period of the 1980 nuclear referendum. The nuclear energy campaign showed how Sweden, with 80 percent of Europe's known uranium resources and its own nuclear industry, could help secure the energy requirements not only of Western Europe, but, more significantly, of a developing sector which must take the first giant steps out of the economic misery and destruction caused by the genocidal policies of supra-national financial institutions in the West.

Our campaign against these very financial institutions and their lobby organizations — like the International Monetary Fund, the World Bank, and the Club of Rome — was significant in educating the Swedish people concerning the absolute immorality of policies which have condemned millions of people to die, in a genocide a hundred times worse than that perpetrated on mankind by Hitler. The Swedish counterparts to these financial institutions have been key in maintaining the oligarchical bridge between Russia and the West, as documented here.

Our campaign to revive classical culture — against which sabotage operations in the aftermath of the Palme murder have reached barbarous levels — is reviving the basic concepts of Western humanism, after a long period of regression to the infantile psychotic level of an Ingmar Bergman or an August Strindberg. We have worked for reviving the spirit of the great humanist tradition, from Plato to St. Augustine, from the Italian Renaissance to the German classics and the 17th century period of Swedish king Gustavus Adolphus.

Lastly, but perhaps of most immediate significance, we have conducted a campaign to bring Sweden into the Western Alliance. Through a much-publicized national tour in the summer of 1984, we proved that there are very concrete and accessible measures which would transform Sweden and Scandinavia from the weak link in the defense of Europe into a bastion of the Western world. In part, this campaign was picked up in 1985 by a growing number of high-ranking officers, which became popularly known as the "officers' revolt" against the appeasement policy of the government.

Our campaign for a strong northern defense, along with the campaign for a new Strategic Defense Initiative — as launched first by LaRouche in February 1982, and propagandized in a series of well-attended seminars in Stockholm and several other Western capitals — provoked violent attacks by the Soviet disinformation channels.

The architects behind the disinformation campaign likely viewed Sweden as a weak flank in this mobilization against the growing Soviet threat. The Soviets undoubtedly thought that they could get away with laying the Palme murder at the doorstep of the ELP, as a first step in dismantling the LaRouche mobilization globally. The Swedish news media, being what they are, again followed the Soviet's lead on this matter.

That campaign has already backfired. The opinion of the Swedish people is *not* reflected in the media lies. Whether or not the media believes its own lies is not the issue here, although they did not hide too well the origin of these lies. Their negligence has given the *EIR* staff an opportunity to lay bare the Soviet disinformation apparatus in a way which has never been done before. At the present critical juncture in European politics, this report serves a vital role in exposing a campaign which now threatens the very existence of our nations.

Operation Edgar Allan Poe:

Investigative hypotheses

The following research memorandum, launching "Operation Edgar Allan Poe," was issued on March 4, 1986, by EIR Contributing Editor Lyndon H. LaRouche, Jr.:

The international newsweekly, *Executive Intelligence Review*, hereby structures its ongoing investigation, to the purpose of defining editorial judgment on both (a) the killing of the late Prime Minister of Sweden, Olof Palme, and (b) the indicative features of international coverage of the killing, by news media, governmental agencies, and other relevant agencies.

This investigation is herewith named "**Operation Edgar Allan Poe**." That name is adopted for the practical purpose of identifying the methods and outlook to be employed in the inquiry: to emphasize our abhorrence of the contrary, more popular methods identified with the fictional Sherlock Holmes.

The general investigative hypotheses to guide the inquiry at this stage, is based on efforts to arrange the full array of available evidence in such a manner as to narrow the investigation down to one among the following general and more particular choices of motives for, and character of the assassination.

1. The Killing was Motivated Either:
 - 1.1 Simply to Kill Olof Palme;
 - 1.2 Less to Kill Palme, than to produce the effect which the killing of Palme was intended to produce.
- 2.1 The Motivation Was of a Personal or Business-Interest Nature, or Some Combination of the Two;
 - 2.11 Personal Revenge
 - 2.12 Action In Defense of Some Personal Interest;
 - 2.13 Revenge for Injury to Business Interests;
 - 2.14 Action In Defense of Perceived Business Interest;
3. The Motivation Was Political, and was either one or a combination of the following:
 - 3.1 Swedish National Matters;
 - 3.11 Intra-Party Motives;
 - 3.12 Non-Intraparty National Motives;
 - 3.2 International Political Matters;
 - 3.3 Strategic Matters As Such.

For purposes of files-organization, each element of the foregoing listing is to be treated as a "Boolean" conception, overlapping or not-overlapping other elements of the array.

The foregoing list is an array of alternative or overlapping elements consistent with the probable indications that the perpetrator operated in the mode of a professional killer.

The most important clues to be considered, come from the area of news-media coverage of the killing and investigations. Two characteristics of such news-media coverage must receive special emphasis in the inquiry:

4. Efforts to divert suspicion to or away from certain classes of suspects.
5. Efforts to exploit the killing to generate a politically or strategically significant reaction.

It need only be mentioned, that the Soviet disinformation channels are, so far, most active in attempting to generate variously politically or even strategically significant reactions to the killing. The pivotal question, is whether political exploitation of the killing is merely opportunistic, or whether the exploitation reflects in one sense or another the motivation for the killing.

So far, the most probable hypotheses are:

- A. That Palme had been actually or plausibly instrumental in some recent action or action-in-preparation, which prompted some agency to require the immediate killing of Palme as either revenge or prevention.
- B. That Palme was killed by the Soviets or some related agency, because the political value of Palme's bloody shirt was esteemed to greatly outweigh the usefulness of the living Palme. This would coincide with the use of either elements of international terrorism or Soviet-steered ultra-right-wing groups as accessories to the action.

The special difficulty, is that the public and covert Olof Palme represent somewhat distinct images. That is to emphasize the query: Did the motive for ordering Palme's killing bear upon the authors' perception of Palme's public or covert role.

Obvious circumstances local to Sweden, include:

- 1. The Gyllenhammar affair, and effects bearing upon the fall of the stock-exchange values.
- 2. Increased threats to Sweden's national security.
- 3. Widespread expressions to the effect that Palme's actions had betrayed allies and supporters.

The distinctive political circumstance, was that Palme's standing was at a lower ebb than during his earlier electoral defeat. The best way to eliminate Palme politically, was to keep him alive as a target of growing hostility from all national sectors, including much of his former electoral base. The effect of his murder, is to revitalize "Palme the martyr," and thus strengthen the perpetuation of the policies with which Palme was associated.

The fact that Palme's killing has features of professional killing, is strong indication of authorship by some agency qualified to pre-calculate the political sequelae of such a murder. An agency which had the means to deploy a professional killing, would have, "instinctively," reckoned with the fact that killing the politically discredited Palme would elevate his standing to that of a "martyr." This suggests either an agency which intended to produce such political sequelae, or which was so blinded by desire to kill Palme that they were prepared to risk the political after-effects as part of the price for immediately conducting the killing.

Who benefits politically and strategically? Most narrowly, Moscow benefits. More broadly, the benefit accrues to the modern outgrowth of the 1920s "Trust," the political "joint-stock company" interests of the contemporary form of the "bi-polar arrangements" between certain wealthy Western interests and Moscow, including the so-called left wing of the Socialist International. This benefit was pre-calculable; the success of the killing, at first try, in an operation with the characteristics of a professional assassination, strongly indicates an agency which either intended to produce such a pre-calculated effect, or which was so powerfully motivated by more narrow considerations, as to disregard such pre-calculable effect.

Moscow's charges against the CIA

The Moscow allegation, that the CIA was involved in the killing of Palme, is worse than absurd insofar as this charge is understood to mean the U.S. Central Intelligence Agency. However, there are certain powerful, private agencies, which public opinion might confuse with the CIA, which are fully capable of complicity in such a killing. I shall not name any of these agencies (for obvious reasons of discretion), although I have several such immediately in mind. I shall merely indicate the characteristic features of the relevant problem, so that investigators may bear this line of inquiry in mind as they weigh the evidence.

The killing of Palme occurs in the context of two global sets of events:

- 1) The global banking-collapse crisis now in progress, and
- 2) A cascade of extraordinary unleashings of coup d'etats and kindred events in the setting of the period from the Geneva Reagan-Gorbachev Summit to the present Soviet 27th Congress. A powerful faction of bankers in the West, which has reached a global, "bi-polar" agreement, through "back channels," with Moscow, is acting to pull the United

GLOBAL CONTEXT: BANKING
CRISIS, and COUPS/BANKER
FACTIONS PULLING US OUT OF SDI

States out of the Strategic Defense Initiative, to pull the U.S. strategic influence, rapidly, out of Europe, Africa, and Asia, and back to the Americas. This same faction, is faced, simultaneously, with an imminently threatened general collapse of the U.S. banking-system, and the chain-reactions this collapse portends for most of the world.

This "bankers' faction" in the West, is an integral part of the present-day equivalent of the 1920s Soviet "Trust" organization, the continuing "Trust"-linked organization within which Olof Palme's political activities have been situated. The killing of Palme by such circles, or by aid of such circles, would be, therefore, an "inside job."

"BANKERS" FACTION SIMILAR TO SOVIET "TRUST" OP

This "bankers' faction" of the West, has built up a massive, privately operated, international intelligence capability, akin to the fictional "third force" of the famous James Bond movies. This capability has penetrated deep into the policy-making and operations capabilities of Western governments, and is able to orchestrate the policies and actions of such governments to suit its own purposes, in an increasing number of cases. It has an operational capability more or less equivalent to that formerly commanded by the CIA.

With aid of the Socialist International and other left-wing and left-liberal political forces, this "third force" (which could be named by names of organizations and key personalities) has gained great power over nations of the West and developing nations. Yet, at the point this "third force" is at the verge of realizing its political objectives within the West, the imminent collapse of the U.S. banking-system threatens to destroy much of that power. This powerful "third force" is currently operating with blind fanaticism and desperation, seeking to crush any force which resists it, or even threatens to resist it.

The case of the destabilization of the Philippines, planned first under President Jimmy Carter, and set into motion beginning 1982, is an example. First, this "third force," exerting great power on the U.S. and other governments, toppled President Ferdinand Marcos, and is now moving to dump soon the new provisional President of the Philippines, Mrs. Corazon Aquino. At the same time, the same "third force" is moving to destabilize South Korea, completing another operation first set into motion under President Carter. This means, in short order, that the U.S. bases in the Philippines are lost, and the U.S. is out of the western Pacific and Southeast Asia strategically, altogether.

The same forces are acting to destabilize Egypt, and to turn control of southern Africa over to Soviet naval, air and missile forces based in Angola and Mozambique. They are moving to a bloody destabilization of Panama, backing the professed Nazi, Arnulfo Arias Madrid, as the "democratizing" agency for the region of the Panama Canal. The list goes on, and is very long.

It is to be said of this "third force," this agency of the "bankers' faction," that "whom the gods would destroy, they first make mad."

The political ideology of this nameable "third force," is not exactly pro-Soviet. They are, after all, an asset of a variety of wealthy financier families joined, in common if also conflicting aims, with Moscow, in an arrangement for consolidating a "New Yalta" version of a "bi-polar" dictatorship over the planet. They work with Moscow on common interests, but also in conflict with Moscow on other matters. They are turning over Europe, Asia, and Africa, to Soviet strategic domination, while simultaneously acting desperately to preserve their financial interests in both the Americas and parts of the world being abandoned to Moscow's strategic domination.

It is my first-hand knowledge, from a large accumulation of isolated cases of such first-hand knowledge, that this "third force" is presently so hysterical that it appears to have lost its senses entirely. This is the one major force in the West which would have been capable of killing Palme with the view of using Palme's "martyrdom" to reestablish Socialist International control over Sweden in particular. Or, this force would have readily killed Palme, if Palme were suspected of moving as part of a Socialist International effort to coopt the anti-IMF movement now rising in the develop-

MOTIVATIONS ARE OBVIOUSLY FINANCIAL -
PRO SOVIET DOMINATED EUROPE, AND
PREVERSING AMERICAN

ing sector and parts of Europe as well. I have no indication that this "third force" was implicated in the killing, only that, on the basis of patterns of recent performance, they would be perfectly capable of such a hysterically insane act.

The "third force" must be included among the list of general suspects, for an additional reason. Under the "back-channel" arrangements between Moscow and the Western, bankers' element of the present-day "Trust," the Soviets leave problems in the Western sector of "bi-polarity" to their backchannel partners of the West, while the Western partners leave matters in areas of Soviet strategic responsibility to Moscow. So, Moscow left the destabilization of the Philippines and South Korea, to the "bankers' faction." So, most of the assassination-plots, harassment, and defamation operations against me ordered by the Soviets, are run through the resources of Western-based, or Sharon-linked private intelligence capabilities. In certain matters of agreement within the "Trust" arrangement, Moscow would say to the bankers' faction: "That's your responsibility; take care of it." In other matters, the Western partners would make the same sort of observation to Moscow, as in the case of the projected political elimination of Yasser Arafat.

If a "Trust"-centered killing of Palme were the case, Palme lies between the cracks of Moscow's and bankers' faction responsibility. Either could be responsible for the act, it could have been conducted jointly, and would almost certainly have been done with a "need to know" degree of knowledge of both.

I can not draw the conclusion that it was the "Trust" which killed Palme; there are other possibilities not to be excluded. One can only say, that whether the "Trust" was directly involved or not, the sequelae of the killing will involve both principal components of the "Trust;" and, if it was not the "Trust" which authored the killing, this fact itself would be a most remarkable feature of the operation.

NOT CLEAR IF THE TRUST KILLED PALME, BUT MOSTLY CLEAR (?) THAT
AFTERMATH OF MURDER "INVOLVE PRINCIPAL COMPONENTS OF THE
TRUST"

I. The KGB twin brothers: Assassination and Disinformation

A classical Soviet desinformatzia campaign



Georgii Arbatov issued Moscow's immediate, pre-calculated response to the murder of Palme.

A few hours after Olof Palme was assassinated, the *Executive Intelligence Review* identified the initial elements of what was soon to develop into one of the most massive deployments of a Soviet intelligence disinformation campaign ever seen.

EIR daily monitoring of Soviet moves identified an unusual rashness in the Soviet propaganda response to the murder of the Swedish prime minister. The first declaration, issued by the chief of the U.S.-Canada Institute, Soviet Central Committee member **Georgii Arbatov**, on March 1, just a few hours after the murder, reflected — by Soviet standards — an extraordinary promptness in the Kremlin leadership and its underlings in pursuing a clear strategy of operations.

As the Stockholm police investigation unfolded, and the surge of press coverage of the event in both Swedish and international media began to take shape, the *EIR* investigative work gridded the activities of known Soviet disinformation specialists. These were coordinated with Western networks previously identified as working for, or manipulated by, the Soviet intelligence service **KGB**. It was in this period that the names of two high-level Soviet officials surfaced increasingly: Ambassador to Sweden, His Excellency, **Boris Pankin**, and Director General **Sergei Losev** of the Soviet state news agency *TASS*.

Immediately after the March 18 world-wide media barrage of slanders, lies and distortions against the Swedish European Labor Party (ELP) and *EIR* founder Lyndon H. LaRouche, Jr., an *EIR* representative had a confidential exchange of views with a senior French intelligence officer on the matter.

Briefed on the *EIR*'s investigative discoveries, the officer could not but underline the significance of both **Pankin** and **Losev** in the overall KGB disinformation machine. The officer stated that the Soviet disinformation campaign against the Swedish ELP and LaRouche was so typical that it could be considered a "manual-like application of KGB disinformation techniques." The French specialist added that the information in the *EIR*'s possession was enough material for "writing a couple of spy thrillers" on the matter.

What will be presented here is a reconstruction of the Soviet KGB disinformation machine and how its operations began to unfold prior to the Palme murder, reaching a peak during the subsequent murder investigation.

The KGB "Desinformatzia" department

According to Soviet intelligence defectors, the **KGB's Department D** (Disinformation) was created, or rather, restructured, in January 1959 by the then **KGB Chief Aleksandr Shelepin**. This occurred as a redefinition of Russian strategy towards the West, following the death of **Josef Stalin**. The new Department D was to coordinate with the Central Committee of the Soviet Communist Party, the **Committee of Information** (the Disinformation

Department) in the Soviet military intelligence **GRU**, and the two “active measures” departments of the KGB itself — one responsible for intelligence networks and the other for counterintelligence.

The Central Committee of the Communist Party defines the requirements and objectives, and maintains liaison functions through the **Administrative Organs Department**, then lead by **Mironov**, and the **International Department**, then led by **Boris Ponomarev**. Department D was also closely working with the Soviet government through the **State Committee for Science and Technology**.

Colonel Agayants (later General) was chosen to head this new Department D. He had been the head of the political intelligence faculty in the **Intelligence Officers' School** and a specialist on the Middle East and Western Europe, with special concentration on Iran and France. His deputy was **Colonel Grigorenko**, a specialist in counterintelligence work at home and émigré operations abroad. Another key specialist was **Colonel Vassily Sitnikov**, responsible for operations in Germany, Austria and NATO — a person who will figure prominently in this story.

The task of the Disinformation Department, as described in all Western manuals, which are largely based on reconstructions by Soviet defectors, can be summarized in the following way: It is responsible for so-called “active measures” (aktivnye meropriyatiya), as opposed to “wet work” (mokriye dyelo), i.e., assassinations.

Included among the “active measures,” according to one standard work, Brian Freemantle's book “KGB,” are “written or oral disinformation, forgery, the creation of false rumors, manipulation and control of foreign media, the manipulation of political action in foreign countries, the use of agents of influence, the use of clandestine radio stations, use and manipulation of foreign communist parties and international front groups, support for international revolutionary and terrorist groups and, if possible, political blackmail.”

In 1968, one year after taking over the KGB, **Yuri Andropov** restructured Department D, renaming it **Department A**. In the early 1970s, its functions were upgraded — moving from a “Department” to a “Service” status — thus acquiring a higher position in the KGB organizational structure and much greater access to the resources of the KGB.

This restructuring occurred simultaneously with the reconstitution of **Department V**, responsible for “wet work” — assassinations, kidnappings, sabotage, etc. Department V was made part of **Directorate S**, the so-called “illegal” section of the KGB. Directorate S has overall responsibility for recruiting, training and deploying “illegals” into the West, for the purpose of infiltrating organizations, parties, the mass media, political institutions, police and secret service agencies, etc.

Now, both Department A (disinformation) and Department V (assassinations) were placed directly under the KGB's **First Chief Directorate**, whose officers, in coordination with the assassination and disinformation departments, plan and execute political assassinations.

This special coordination between the disinformation and assassination departments of the KGB — as one Russian specialist expressed it, “they are living under the same roof” — should be understandable even to the layman. Disinformation operations launched by an intelligence agency have two primary functions.

First, they must exploit, to their own agency's advantage, some political or other event, occurring independently of the agency, in their own or in the enemy's camp. Secondly, they must exploit, to their own agency's advantage, or, at least reduce the potential damage to it, events they have created or helped to create in the camp of the enemy. If a section of an agency plans the physical elimination of a political or other opponent, disinformation operations must assure that the investigation of that assassination does not lead, even accidentally, back to the agency's doorstep.

“EVEN ACCIDENTALLY”

The *EIR*'s successful identification of the role of the KGB disinformation apparatus in connection with the Palme murder, in an operation

MEANS OF ACTIVE MEASURES

EXPLOITATION OF AN UNRELATED EVENT

already “in place” at the time of the murder, combined with a series of strategic and other considerations, has led to the documented conclusion, that Soviet intelligence had an ultimately primary role in the physical elimination of the Swedish prime minister.

Here the principal figures of this Soviet disinformation machine — the *dramatis personae* — will be first introduced, followed by the actual unfolding of the disinformation campaign itself.

His Excellency Boris Pankin

One exemplary case, demonstrating the *modus operandi* of the joint assassination-disinformation deployment of the **KGB**, is provided by the Soviet penetration of Greece in the 1970s — a case which also in other respects is directly relevant to our story.

On December 23, 1975, the “station chief” of the American **CIA** in Greece, **Richard Welsh**, was assassinated in the streets of Athens. On August 22, 1979, the former American ambassador to Greece, **Henry Tasca**, was also murdered in that country. Tasca had a background in intelligence since World War II, and had served as American ambassador to Athens during the period of the Greek military junta.

The junta was overthrown in the summer of 1974, thanks to “geopolitical” arrangements with Moscow authored by **Henry Kissinger's** State Department. Kissinger had used his underling, **Joseph Sisco**, as the “case officer” for the overthrow of the junta — a process which led to **Andreas Papandreou's**, a Soviet agent of influence, coming to power in 1981.

During the period between the Welsh and Tasca assassinations, there were a series of murders of approximately one dozen senior Greek army, police and gendarmerie general officers, all of whom had collaborated with both Welsh and Tasca.

According to various Western intelligence officers, the Soviet coordinator for the anti-CIA operations in Greece was a person already mentioned in connection with the 1959 restructuring of the Soviet **KGB** — **Colonel Vassily Sitnikov**. In April 1975, nine months after the overthrow of the military junta, Sitnikov paid a visit to Greece, during which he activated a group of old Greek Civil War era communist guerrillas, led by one **Yannis Yannikos**. Yannikos later became the head of a rather interesting publishing house [See *Chapter I, Section 3.*].

Since 1973, Colonel Sitnikov's cover was that of deputy director of the **Soviet Copyright Agency (VAAP)**. The director of VAAP between 1973 and 1982 was none other than **Boris Pankin**, who, in October 1982, would become the Soviet ambassador to Sweden.

The significance of Pankin and Sitnikov was highlighted during a celebrated 1982 trial in Greece between *New York Times* correspondent **Paul Anastasi** and the publisher of a Greek daily, *To Ethnos*. The Greek daily proved to be a special disinformation project of Pankin's, and according to reports made known as a result of the trial, Pankin and Sitnikov had reached the respective ranks of Lieutenant General and Major General in the **KGB's Service A** for disinformation while at the VAAP agency. Pankin was reputed to be the head of Service A, a position that placed him among a handful of the most important officers in the **KGB** overall. It was a position he may have maintained after his 1982 assignment to Sweden.

As VAAP director, Pankin also held the rank of minister in the U.S.S.R. Council of Ministers. The VAAP has 400 officers in its Moscow office and today maintains representative offices in 27 countries around the world. In 1976, a certain **Arthus I. Pakhomenkov** was in charge of the VAAP section for “Fiction and the Arts.” This proves to be a significant connection, on two counts: Firstly, the coordination of all so-called “fiction writers” is a **KGB** speciality. Secondly, in 1977, Pakhomenkov was transferred from Moscow to head the Swedish VAAP office, the first Western VAAP office to be opened.

According to many Western sources, as VAAP director, Pankin was one of the most important cultural figures in the Soviet Union. He exercised censorship rights over everything published in the country, including all published material imported from the West. Furthermore, he presided over



Boris Pankin reached the rank of **KGB** Lieutenant General and head of the **KGB's Service A** for disinformation before arriving in Stockholm as Soviet ambassador in 1982.

Is Sweden considered a vulnerable target because of this?

the KGB disinformation apparatus. In both positions, the official and “unofficial” one, he was coordinating a group of KGB and GRU officers, who could be best described as the “LaRouche watchers” within Soviet intelligence.

Sergei Losev: “assassination specialist”

According to Soviet sources, one of Pankin’s “closest friends and collaborators” is the current director general of TASS, **Sergei Losev**. According to these same sources, Losev has been “centralizing all the information around the Palme investigation from his office in Moscow.” *EIR* investigators confirmed, that Losev frequently travelled to Scandinavia during the 1983-85 period. Soviet sources report, that his last sojourn in Stockholm was at the end of 1985, although this is denied by Pankin’s embassy staff.

Born in 1927, Losev’s “official” career has always been within TASS. He started as a foreign correspondent, to become the TASS editor in Moscow in 1950, later holding the positions of Chief Foreign News Editor, First Deputy Director General, and finally, Director General, a post to which he was appointed some ten years ago. The position of TASS Director General represents a high-level position within the Soviet “Nomenklatura,” and Losev is considered by reliable Western intelligence specialists to be a high-ranking officer in the KGB Disinformation Service.

For students of Soviet espionage, this is no surprise. It should be noted that Losev’s predecessor as chief of TASS, **Viktor Anissimov**, was exposed in the 1950s for running five espionage networks in Sweden. In September 1951, this Swedish counterintelligence discovery led to the arrest of Swedish naval engineer Hilding Andersson.

Losev is also described by Soviet journalists as a “specialist on assassinations.” In fact, he wrote several investigative books with another KGB “journalist,” whose name our readers should keep well in mind, **Vitalii Petrusenko**. Their books can be described in intelligence jargon as “hatchet jobs” directed against the American CIA. In June 1981, Losev and Petrusenko published a book, “Crime without Punishment,” on the Kennedy assassination. The book depicted, in their own words, “the sinister mechanism of conspiracies and political murders in the USA, set up by oil tycoons and ultra-reactionary politicians, CIA professionals and Mafia chiefs.”

In August 1984, the Soviet press announced a new book by this KGB duo: “USA: Operation Eliminate!” According to the summary of the book reviews issued by TASS — i.e., authorized by Losev himself! — the book “goes into the true facts behind the murders of John and Robert Kennedy, Martin Luther King and Malcolm X, suggesting that these deaths were the result of organized plots involving the CIA and powerful reactionary circles.”

Pankin and Losev’s KGB scribblers

Around the axis of Pankin and Losev, a group of well-known and powerful Soviet journalists and authors rotate, all of whom are high-ranking figures in the KGB or GRU. Attacks against LaRouche and the CIA originate with this group. This group includes, apart from Petrusenko, a nest of operatives in the KGB “cultural” organ, *Literaturnaya Gazeta* — **Fyodor Burlatskii**, **Julian Semyonov**, **Iona Andronov** and **Aleksandr Sabov**. Furthermore, last but not least, the dean of Soviet “anti-fascist” researchers, **Ernst Henry**, who has over 50 years of Comintern intelligence experience behind him.

Since the 1950s, **Burlatskii** was an intimate acquaintance of Soviet KGB chief, and later Secretary General of the Communist Party, the late **Yuri Andropov**. In a *Literaturnaya Gazeta* article of Oct. 26, 1983, Burlatskii attacked Lyndon LaRouche and Helga Zepp-LaRouche by name, as well as the West German ELP, for their campaign in favor of a new strategic defense doctrine for the West:

“Reading [the LaRouche proposals], I did not know if I should be indignant or laugh about the amusing and ridiculous maxims of the authors, the conjugal symbiosis of the American LaRouche and his wife, the German Helga Zepp-

LaRouche, who come out in the name of the committee of a nonexistent party (sic). We will not pay attention to their trivial pretensions..."

Contrary to this feigned disinterest, Burlatskii and his KGB superior paid a lot of attention to LaRouche and to the ELP, as will soon become evident. Surely among his other motives, Burlatskii had a personal vendetta to carry out, since *EIR* had blown his cover at a nuclear-freeze conference in Minneapolis, Minnesota that same year.

Soviet press coverage of LaRouche during this period became nearly hysterical. Alarmed by the "well attended conferences" organized by *EIR* in Europe on the Strategic Defense Initiative, the Soviets described LaRouche as a "troglodyte" and a "caveman." On March 28, 1984, the *Literaturnaya Gazeta* correspondent in Paris, **Aleksandr Sabov**, reported on one of these conferences held in the French capital:

"Such cynical speculation on the heritage of Roosevelt and de Gaulle are resorted to by the U.S.-based 'International Caucus of Labor Committees' [the philosophical association founded by LaRouche — edit.], which in Europe is called the European Labor Party. Even the 'free' press directly calls this caucus and party neo-fascist organizations, protected by the CIA, and calls its leader, the American Lyndon LaRouche and the Frenchman Jacques Cheminade, 'Führers' ... Had this been altogether a sparsely-attended and insignificant meeting, I would not for the world draw [attention to it] ... But, alas, it was well attended."

Here, Sabov resorts to a classical KGB disinformation gimmick, later used extensively in its operations around the Palme case: citing Russian assets in the "free" Western press against LaRouche, in order to "confirm" its allegations.

Two other *Literaturnaya Gazeta* celebrities — both with the rank of colonel in Soviet intelligence — who are part of the "LaRouche watchers" group are the spy-novel writer, **Julian Semyonov**, and **Iona Andronov**. Semyonov emerges repeatedly, along with **Ernst Henry**, in dirty operations against LaRouche and the West German ELP.

Andronov has been the *Literaturnaya Gazeta* correspondent in the United States for more than a decade. In October 1984, the Paris-based Soviet émigré, **Anatolii Gladilin**, writing for the *Manchester Guardian*, identified him as "a KGB career officer, Colonel Iona Andronov." This fact has, however, been known to Western counterintelligence specialists for years.

Andronov also wrote for *To Ethnos*, Pankin's Greek disinformation daily. It is no surprise that, in May 1985, Andronov admitted to an informant that, "Pankin is a man with an open mind, whom I have known for years!"

After **Pope John Paul II** was shot on St. Peter's Square in Rome on May 13, 1981, the KGB assigned Andronov to counteract the Western exposé of the Bulgarian and Russian intelligence services' involvement in the assassination attempt. Again, he resorted to attacking LaRouche, the ELP, and the CIA. Writing in Part III of his *Literaturnaya Gazeta* series, on July 6, 1983, Andronov said:

"Wiesbaden. Dotzheimer Strasse No. 164. The West German branch of an American subversive institution under the mask 'Neue Solidarität' [the weekly founded by Helga Zepp-LaRouche — edit.]. The speciality of the Wiesbaden center is to infiltrate the ranks of the peace movement supporters and left-leaning youth organizations, shadowing them and disorganizing them from the inside. The basic method of their diversionist intrigues is an intensive anti-Soviet propaganda..."

Here, Andronov was using a standard KGB disinformation tactic, which might be characterized as killing two birds with one stone: First, he portrayed LaRouche and affiliated organizations as a “subversive” CIA operation — printing the *EIR*’s address in Wiesbaden for the benefit of leftist terrorists. Second, he falsified a statement of an *EIR* correspondent, allegedly attacking the CIA as responsible for the assassination attempt against the Pope! For those in the West in a position to know about *Literaturnaya Gazeta* and Andronov, this piece would indicate that the *EIR* was working with the KGB in trying to blame the CIA for the attempted murder of John Paul II.

After this cursory look at the KGB’s “star reporters” and “authors” around Pankin, who form the group of the “LaRouche watchers” within Soviet intelligence, we will now examine the live phase of the KGB disinformation campaign around the assassination of Palme.

Georgii Arbatov sets the tone

Palme was killed in the late evening of Feb. 28, 1986, while walking home from the cinema with his wife Lisbet. Despite a very tense strategic situation, Palme had no protection. International warnings had been issued of terrorist activities in Holland and Scandinavia, and Sweden in particular.

The official police explanation for the lack of security measures is, that Palme himself did not want to have a police escort. This might very well be the case, but it does not answer the question of why the Swedish police and security authorities failed to provide the prime minister with even a discreet security screen on that evening. Was this the result of an incompetent evaluation resulting in a tragedy, or was it the expression of something far more sinister?

If the Swedish security and police authorities were allegedly caught off-guard, the same cannot be said of the Soviet leadership and its intelligence agencies. On March 1, the morning after the murder, they had already worked out their explanation of the assassination, as it was presented at the 27th Party Congress, then in session. It was Central Committee member **Arbatov** who was to set the tone for the prepared Soviet orchestration of disinformation. Arbatov, a member of the **Palme Commission on Disarmament and Security Issues**, was identified on July 4, 1984 by the most authoritative Italian daily *Corriere della Sera* as connected to the **GRU**, the Soviet military intelligence agency.

Radio Moscow was first to publish Arbatov’s remarks, and then the rest of the Soviet media picked up on cue. As Western analysts commented to *EIR* and to other press representatives, given the traditional slowness of the Soviet propaganda (disinformation) machine, the rapidity of the official Soviet response to the Palme murder was extraordinary.

Twelve hours after the murder, Arbatov stated the following: “I do not know who killed Palme, but I know all too well who hated him. ... I saw demonstrations against him by fascist hooligans, inflammatory articles, and provocations. Reaction loathed Palme.”

The same day, Losev’s news agency *TASS* identified Western circles opposed to “peace” and “disarmament” as being responsible for the murder of the Swedish prime minister. These not-so-concealed allusions were made more explicit later on by the Soviet disinformation machine, which began attacking LaRouche and the Swedish ELP by name, characterizing them as “reactionaries” and “fascists,” who propose that “Sweden should join **NATO**.”

Arbatov himself also became more explicit. At a meeting of the American Society of Newspaper Publishers in Washington, D.C. on April 11, 1986, he stated that “LaRouche is a fascist,” and characterized the victories of two LaRouche Democrats, **Janice Hart** and **Mark Fairchild**, as reflecting “a certain trend.” On March 18, Hart and Fairchild had won the nominations for Secretary of State and Lieutenant Governor in the Illinois State Democratic primaries. “It is very disturbing,” Arbatov continued, “to see a population motivated by racial intolerance (sic) and nationalism... This is an event which should not be overlooked, it could be very serious.”



KGB General Mikhail Milshtein, the military specialist of the Palme Commission.



KGB Colonel Radomir Bogdanov, Arbatov's deputy in subverting the West.

The case of Pierre Schori

Another person who did not overlook the KGB disinformation campaign was the Norwegian Social Democrat, **Johan Jørgen Holst** — soon to become Norwegian defense minister. A member of the **Trilateral Commission**, and, until his appointment as defense minister, Executive Director of the **Norwegian Foreign Policy Institute**, Holst is also a member of the **Palme Commission**, along with such celebrities as Arbatov, **KGB General Mikhail Milshtein** and **KGB Colonel Radomir Bogdanov**.

In a conversation with a journalist on March 5, Holst echoed Arbatov's statements, saying that "the extreme right-wing group" in Sweden that's for "Star Wars" — President Ronald Reagan's Strategic Defense Initiative — were the ones which "hated Palme the most." Although Holst hypocritically added that, of course, he doesn't want to intimate that the ELP or LaRouche were in any way involved in the Palme murder, he immediately put their names in the context of the assassination, almost two weeks before the media barrage against the ELP started on March 18.

Further evidence of the KGB's modus operandi against LaRouche and the ELP was provided to the *EIR* by an American, who had a conversation with **Pierre Schori**, the undersecretary of the Swedish foreign ministry and reputed "intelligence czar" of the Swedish Social Democratic Mafia machine. The conversation occurred shortly after **Chief Prosecutor K.G. Svensson** had resigned on May 16 from the Palme murder investigation, in protest over **Police Chief Hans Holmér's** handling of the case, particularly Holmér's faked evidence against the initial suspect, **Gunnarsson**, who was under arrest March 12-19 [See *Chapter II, Section I.*].

Schori praised the media attacks against the ELP, which had come to a halt only because of the unfortunate "difference of opinion" between Svensson and Holmér, which prompted Gunnarsson's release. Schori admitted having raised the issue of LaRouche or ELP involvement in the murder directly with the Soviets, who, however, had "absolutely nothing" to substantiate their allegations of such an involvement.

Schori, who also admitted having talked about LaRouche with **Henry Kissinger** for many years, said that he himself was of the opinion that the opportunity should have been seized to carry out a police raid on the ELP's offices, and go through all their papers "with a microscope," but that this proposal, regrettably, had been rejected.

The real significance of these private comments of the Swedish foreign ministry undersecretary will be underscored below, in the light of his career, which defines him as one of the most significant Soviet agents of influence in Sweden and in the West. Schori is united with **Arbatov** and **Holst** in the attempt to implicate the ELP and LaRouche in the Palme assassination. An even deeper connection between the three has surfaced thanks to the exposure, in January 1984, of one of the biggest espionage scandals in the entire post-war period — the arrest of Norwegian foreign ministry official **Arne Treholt**.

KGB Colonel Arne Treholt

On Jan. 20, 1984, the press spokesman of the Norwegian foreign ministry, Social Democratic official Arne Treholt, was arrested by Norwegian police and security services at the Fornebu Airport in Oslo, en route to Vienna to meet his KGB controller, **Major General Gennadi Titov**. Treholt had a bag full of classified documents with him. Thus ended a career of Soviet espionage which had apparently lasted 17 years.

In the trial which followed, Treholt was found guilty of espionage and sentenced to a 20-year jail term. The trial, many portions of which were held *in camera*, did not, however, reveal all the major international implications of the Treholt operation — implications that touch upon the role of the Western "**Trust**" finance-rentier interests, which have been working with the Soviet regime since its birth. These implications take one from Athens to Stockholm, and to the highest levels of the so-called **U.S. Eastern Establishment**.

While working as a journalist for the Social Democratic daily *Arbeiderbladet* in Oslo, young Treholt came into contact with Soviet in-



Norwegian KGB Colonel Arne Treholt (left) during one of his secret meetings in Vienna with his KGB controller, Major General Gennadi Titov.

telligence — as early as 1967. Treholt was the leader of the leftist **Norwegian Committee for Democracy in Greece**, an anti-junta front group, when he met Soviet diplomat and KGB recruiter, **Yevgenii Belyayev**.

One year earlier, Treholt had met **Andreas Papandreou**, whom he interviewed for his paper. As he testified at the trial, this was the beginning of a “long friendship” between the two men, which continued until Treholt’s arrest. When he was in Athens in 1984, invited by the Greek government to celebrate the 10th anniversary of the overthrow of the junta, Treholt stayed at the private residence of Prime Minister Papandreou.

Immediately after Treholt’s arrest, when reached by the Norwegian press for a comment, Papandreou’s good friend and minister of culture in the Papandreou government, aging singer and actress **Melina Mercouri**, could only state: “Tell me it’s not true. Why, all of us love that man! ... The entire Greek government is in a state of shock at this news. He’s done so much for Greece. He is a personal friend of ours.”

After his arrest, Treholt started to talk. Despite purposefully contradictory reports in the Norwegian and international media, this high-level official, who, according to some sources, had NATO cosmic top-secret security clearance — i.e., access to the most important military secrets of the West — evidently was a “KGB Colonel.” Treholt revealed a series of Soviet agent-runners and, in particular, he exposed Soviet control over the northern European peace movement, a fact which is essential to the Palme case.

The interrogation showed that some of the coordination of the Treholt espionage ring was run directly out of **Pankin’s** embassy in Stockholm. **Aleksandr Lopatin**, who had to leave Sweden, was operating as one of Treholt’s KGB contacts. Lopatin was responsible for infiltrating the Scandinavian Social Democratic organizations.

Besides providing the Soviets with Western military and related secrets, Treholt was an “agent of influence,” i.e., accomplishing political tasks for his Moscow masters. Treholt’s political assignments were coming directly from the **International Department** of the Soviet Communist Party’s Central Committee, led by **Boris Ponomarev**, from **Arbatov’s U.S.-Canada Institute**, and from **Pankin’s** KGB disinformation apparatus.

Again Pankin and Schori

According to the French weekly *Vendredi, Samedi, Dimanche* of July 5-11, 1984, during his interrogation, **Treholt** issued a series of explosive declarations which were never allowed to surface at the trial. The *VSD* revelations appeared in an article entitled, “The Confessions of the Norwegian Spy Minister,” written by Editor-in-Chief **Philippe Bernert**, and reflected Norwegian counterespionage findings which were passed on to French intelligence. *EIR* received the same list of names, and is able to confirm the allegation of the French weekly. The *VSD* wrote:

“A first report based on Treholt’s declarations concerns Sweden, in particular. The report, which includes a list of names of people at the highest levels of the Social Democratic government in Stockholm, is most embarrassing for the Swedish counterespionage services.

“Treholt targets as ‘agents of influence’ or ‘active sympathisers’ personalities in the very ‘entourage’ of Prime Minister Olof Palme...

“At the very center of this machine, one could find, since 1982 — the date of the return to power of Olof Palme and his Social Democratic team — Soviet Ambassador to Stockholm **Boris Pankin**, a leading figure of the **KGB Disinformation Department**. He is the number one Russian specialist in press matters: he has directed the **Copyright Agency** in Moscow, and the *Komsomolskaya Pravda* (official paper of the Communist Youth). His wife, **Valentina**, is herself a press technician, a top reporter at the *Literaturnaya Gazeta*, specializing in Islamic countries.

(...)

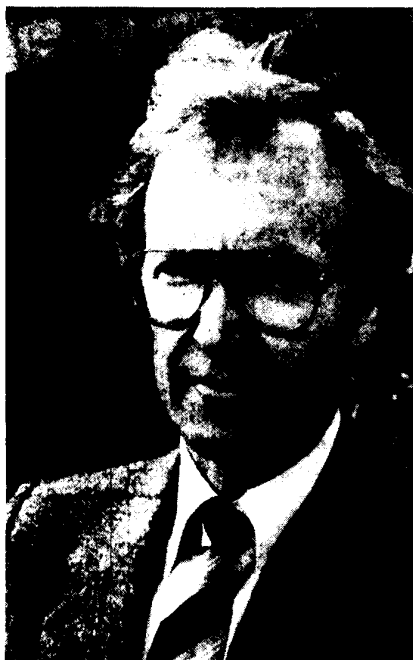
"Treholt spoke at length of one of 'Palme's boys,' a personal friend of **Fidel Castro**, linked to the Managua Sandinistas, who has made Sweden a land of asylum for certain Latin American refugees on the run...

"These (Soviet) operations take place, according to Treholt, on three different levels: within the **UN delegation**, at the Swedish representation to the **Disarmament Commission** of Geneva, and in certain Swedish embassies in the West...

(...)

"It is through women that the KGB succeeds in its most ambitious operations. Treholt mentioned the example of the mistress of an important minister, of the wife of a Supreme Court magistrate of Stockholm, and of a female television producer who is very popular in Sweden. The Swedish press is reported to be particularly targetted by the Soviets; an important morning paper and one of the most important evening papers are reported to be headed by Soviet 'agents of influence.' According to Treholt, a person in a position of responsibility at the Swedish TV, an eminent member of a conservative party, would refuse Moscow nothing..."

The career of Fidel Castro's friend



"Palme's boy" Pierre Schori, now undersecretary of the Swedish Foreign Ministry, rose to prominence within the Social Democratic secret intelligence organization (SAPO) in the early 1970s.

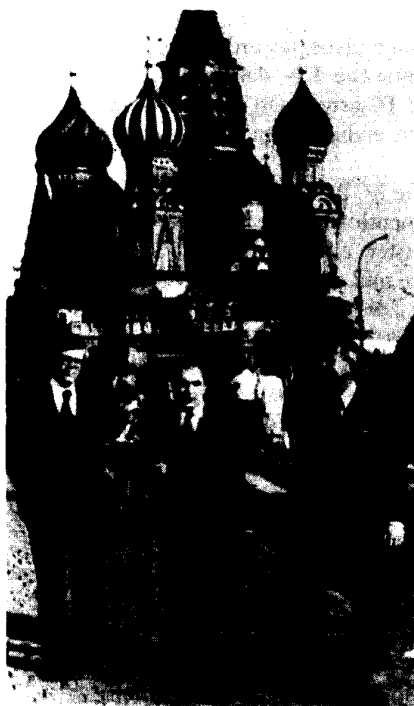
The "Palme's boy" mentioned is, of course, **Pierre Schori**. Born on October 14, 1938, Jean-Pierre Olof Schori had the following career:

- Graduated in 1962 from the Lund University.
- Secretary of the Party Executive of the Swedish Social Democratic Party (SAP), 1966.
- International Secretary, SAP Executive, 1968.
- Section Head, Developing Sector Department, Swedish Foreign Ministry, 1971.
- Editor of the SAP's ideological journal *Tiden*, 1971.
- Division Head, Office of the Prime Minister (Palme), 1973-76.
- International Secretary, SAP Executive, 1976.
- Undersecretary, Swedish Foreign Ministry, 1982.
- Reputed leader of the secret SAP intelligence organization, the so-called SAPO, since the fall of 1973.

Schori was a specialist on Latin American affairs, working for **Willy Brandt's Socialist International** since early in his career: his connections to and friendship with Fidel Castro, the Sandinistas, and all kinds of terrorist organizations are well known. His career started with a 6-week trip during November-December 1966 to 15 Latin and Central American countries, on behalf of the International Union of Socialist Youth.

The web of contacts and relations that Schori has established since — in his own words, the best network of its type in all of Europe — consists of precisely those left-wing elements of the Socialist International in Central and Latin America exposed by U.S. intelligence as being controlled by the Soviet KGB, on the basis of material discovered after the invasion of Grenada. Documentary evidence was found on the island to prove KGB control over this Socialist International network associated with Schori.

Back to the Treholt story



Arne Treholt (left) with his boss, Norwegian Minister of Sea Rights Jens Evensen (right), on a visit to Moscow. Treholt's advise to Evensen in crucial border negotiations with the Soviets made it appear as though "the KGB was on both sides of the bargaining table."

Besides the Swedes, Treholt's activities implicated the top leadership of the Norwegian Social Democratic **Arbeiderpartiet**, including party vice chairmen **Reiulf Steen** and **Einar Førde**, the head of the party's International Committee **Thorvald Stoltenberg**, and **Jens Evensen**, the man who fostered Treholt's Norwegian government career in the 1970s and 1980s, while Evensen was Minister of Sea Rights.

Evensen negotiated with the Soviet government on the demarcation lines separating the Soviet from the Norwegian fishing and economic exploitation zones in the militarily sensitive **Barents Sea** region. Treholt advised Evensen to accede to the Soviet demands to extend their zone further West — a major military concession in one of NATO's most vital anti-submarine defense corridors, crucial for the U.S. defense against the Soviet submarine fleet stationed at Kola. Treholt's role in these negotiations, in the light of his being a Soviet spy, led the Norwegian press to comment that the "KGB was on both sides of the bargaining table."

It was Evensen who, in 1979, under the influence of Treholt — and to everyone's astonishment — revived the proposal for a Scandinavian nuclear-free zone. He made this proposal at a trade union conference, without prior consultation with even top foreign ministry officials of his own government. Treholt was given the outline for this proposal by his KGB superior, **Maj.-Gen. Titov**, who had received the draft from **Ponomarev** and **Arbatov**.

Despite the fact, that he was already under suspicion, in the spring of 1982, Treholt was allowed to join the ultra-secret Norwegian Military Defense Staff College, **Forsvarets Høyskole**. Prior to this he had been with the **Norwegian United Nations mission**, since 1979, in New York City, in charge of economic and social affairs under the Social Democratic government of **Odvar Nordli**.

Although two FBI agents were deployed on a 24-hour basis to surveil Treholt, and although he maintained regular contact with his KGB controllers — **Titov** and KGB officer **Vladimir Zhizhin** — surprisingly, his cover was not blown. An intelligence "miracle" explained only by Treholt's high-level connections to (and protection by) the "**Trust**" network, in the U.S. and elsewhere.

Already at the beginning of the 1970s, Treholt was assigned by **Titov** to go to work for **Johan Jørgen Holst's Norwegian Foreign Policy Institute**, the same Holst who would later quote **Arbatov** on the Palme murder. Holst's institute has been a long-standing center for disarmament proposals and anti-SDI propaganda in Scandinavia.

Holst is an intimate friend of Kissinger-crony **Helmut Sonnenfeldt**, a curious fact, which should not be so surprising: **Kissinger** and **Sonnenfeldt** have been under investigation and publicly attacked by patriotic U.S. intelligence specialists, who have denounced their role as Soviet agents of influence. Kissinger was forced to leave his post in the Kennedy Administration, because of these investigations, an embarrassment quickly remedied when he was appointed National Security Adviser to **President Richard Nixon** in 1969 — the compromising files on him and **Sonnenfeldt** have mysteriously disappeared from the U.S. archives.

During the Treholt trial, **Sonnenfeldt** was asked to testify regarding details of certain meetings he had with **Holst** in February 1980 and in 1981. According to the Norwegian press in February 1985, **Sonnenfeldt's** answer was arrogantly self-assured: "I say the same thing to Holst that I would say to the Russians themselves (sic), or for that matter, to *VG* [a Norwegian daily]." However, since the trial developed into a cover-up of the higher levels of the "**Trust**" network, the transcript of **Sonnenfeldt's** remarks has been stricken from the published, official record, marked "Not Made Public."

The Treholt connection brings to light another, similarly tainted figure, the current U.S. Ambassador to West Germany, **Richard Burt**, former Assistant Secretary for European and Canadian Affairs at the U.S. State Department. It was Burt, who, as a *New York Times* journalist, leaked highly sensitive information concerning the redeployment of U.S. radar

and listening stations from Iran to Norway, an operation code-named "**Chalet**." Burt is a good friend of Holst, as well as a friend of former Carter Administration official and *New York Times* colleague, **Leslie Gelb**, who is also a member of the **Palme Commission**.

Given **Schori's** connections to his friend **Kissinger**, Treholt's relations to Holst and Sonnenfeldt, and **Pankin** and **Arbatov's** role in the Treholt espionage affair, the similarities between the public and private statements of Arbatov, Holst and Schori on the Swedish ELP and LaRouche with regard to the Palme murder appear in a more revealing light. This will become still clearer as the **KGB** disinformation network is further unraveled.

The KGB and Sweden

Historically, Bolshevik Russia has maintained a kind of "special relationship" with the Swedish oligarchy, and with the ruling Social Democratic machine: A relationship which the Russians, loyal to their convictions and aspirations, have tried to transform into a relationship of empire-to-satrapy. This is also true for the massive historical penetration by Soviet intelligence of a large number of Swedish institutions and organizations.

It is no secret in the Western intelligence community that Sweden is viewed as a "Russian paradise," to which Soviet spies are recycled, after being expelled by other Western countries. On January 13, 1986, the Italian daily *Il Giornale* reported: if Soviet spies "are expelled, or simply removed from their positions, they will end up in the Swedish capital, where there is the highest concentration of East Bloc 007's who have been kicked out of other Western capitals."

The best known case is former **Soviet Ambassador Mikhail Yakovlev**. During the war, Yakovlev worked as a teacher for the KGB. In 1960, he was appointed ambassador to Congo, and then to Iraq, from where he was expelled for espionage. He then became the headmaster of the "diplomatic (i.e., spy) school" of the Soviet foreign ministry until 1971. That same year, he was appointed ambassador to Sweden.

Apart from the United States, Sweden is considered to host the highest-ranking Soviet espionage network in the West. Besides **Lt.-Gen. Pankin**, the Stockholm embassy includes, according to reliable counterintelligence specialists, three other **KGB** general officers and one **GRU** general officer.

Current Soviet **KGB "resident"** (i.e., station chief) in Sweden is **General Nikolai Seliverstov**, a 55-year-old officer who has been stationed in the country since 1980. In contrast to his KGB colleagues, Seliverstov does not live in an apartment in downtown Stockholm, but in a special section of the Soviet embassy itself. According to Swedish military counterintelligence sources, the "KGB special group" led by Seliverstov, "is there to penetrate the circle of political advisers around Olof Palme."

One of Palme's advisers, who has continually received the "red carpet treatment" in Moscow, is **Pierre Schori**.

In order to trace the roots of the Soviet-orchestrated disinformation campaign against LaRouche and the Swedish ELP, which reached its peak in the aftermath of the murder of Palme, one has to go back to this period of the mid-1970s. **Vitalii Petrusenko**, whom we identified earlier as the closest KGB collaborator of TASS chief **Sergei Losev**, wrote a book in 1976, entitled: "A Dangerous Game: CIA and the Mass Media"

Beginning on page 162, there is a section of Chapter VIII entitled, "Solidarity — CIA style," where Petrusenko devoted six pages to attacks on LaRouche, the paper *New Solidarity* and the philosophical association which LaRouche initiated, the National Caucus of Labor Committees (NCLC) and its European section, the European Labor Committees (ELC). Petrusenko wrote:

"In the autumn of 1975, public attention was drawn to a statement by **Per Fagerström**, press secretary of the prime minister of Sweden, in which he said that the NCLC representatives 'are energetically compiling everything they can find out about leading Social Democrats. This is simple, concrete information which is well-suited for data processing.' To this a spokesman for Sweden's mission to the United Nations added:



Mikhail Yakovlev, Pankin's predecessor as ambassador to Sweden, had a solid spy career even before his 1971-82 tenure in Stockholm.

'The European Labor Committees and the International Press Service [*New Solidarity*] have been coming to press conferences of members of the Swedish government. They have been extremely disruptive. They have been active in a very extraordinary manner.'

"The Swedish newspaper *Aftonbladet* wrote that the 'ELC is operating as a pro-Communist group (sic), but in reality is a North American anti-Communist organization which in Sweden and other countries is suspected of having committed various acts of espionage and sabotage.'

"A number of papers, including the West German *Die Tat*, reported that former **CIA Director William Colby** and former **CIA Deputy Director Ray Cline** had admitted that the CIA annually provided *New Solidarity* with \$90,000 and that about 80 percent of its staff were CIA and FBI people.'

Of course, Colby and Cline never "admitted" such a thing. Putting the significant case of *Die Tat* aside for a moment, attention will first be focused here on the standard KGB tactic of quoting "independent Western sources."

The KGB's "independent" Western sources

Aftonbladet is a Social Democratic paper, which already in 1975 launched a big campaign against the European Labor Committees, the predecessor organization of the European Labor Party in Sweden; one of its former chief editors, **Gary Engman**, was exposed by **Treholt** together with **Schori** and others as "Soviet agents of influence or active sympathizers." The other "source" used by Petrusenko, "a spokesman for Sweden's mission to the United Nations," also appears dubious, given that Treholt also mentioned **Anders Ferm**, the head of the Swedish mission to the United Nations, among the "Soviet agents of influence or active sympathizers," according to intelligence sources in Western Europe.

But the first "source" quoted by Petrusenko is the most interesting one — **Per Fagerström**. When Petrusenko wrote this, Fagerström was working under Schori in the Prime Minister's Office. On March 18, 1986, in the middle of the media barrage against the ELP, Fagerström referred a journalist interested in the ELP to talk to a certain **Håkan Hermansson**, who works as a journalist for the Social Democratic paper *Arbetet* in the southern Swedish city of Malmö.

Hermansson, a personal friend of Schori, is working with him at the moment, writing a book on Afghanistan. Already in 1975, Hermansson wrote a pamphlet-length attack on LaRouche and the ELP, and has been considered an "ELP specialist" within the Social Democratic Party. His newspaper, *Arbetet*, was so committed to destroying the ELP and exploiting the emotional effects of the Palme murder, that it crudely violated the Swedish code of press ethics, by publishing the full name and picture of the initial suspect, **Gunnarsson**, who was under arrest at the time.

Most of the press claimed, despite ELP denials, that Gunnarsson had been a leading member of the ELP for many years. In order to "prove" this, they not only resorted to lies and distortions, but to outright forgery.

On the evening of March 18, Hermansson stated to a journalist: "Another fact, which we ourselves discovered at the newspaper today, was that already in 1976, when we had elections in Sweden, he [Gunnarsson — edit.] was one of a group of ELP members who clashed with Social Democratic election workers during a rally at which Olof Palme was present in the city of Örebro."

In fact, that very day, *Aftonbladet* had ran a full-page picture "showing" Gunnarsson and an ELP group demonstrating with pickets outside the Social Democratic rally in 1976. This totally fabricated story was picked up by other papers, in Sweden and worldwide. In order to boost the validity of the picture, *Aftonbladet* even added that Gunnarsson — along with the other ELP'ers in Örebro — filed a complaint with the local police against the Social Democratic party workers, who had assaulted them at the rally!

No attention was paid to the ELP's denial. The day after, however, on March 19, *Aftonbladet* was forced to print a small, half-hearted retraction of the story. The person identified as Gunnarsson in the picture was in reality an active Social Democratic party member, who now threatened to sue his own paper, if they did not carry a retraction!

Was Hermansson, Fagerström and Schori's collaborator, blind in his anti-ELP fury, or was he simply retailing what he was told to say? The distinction does not really matter, since, in the same period, Foreign Ministry Undersecretary Schori was demanding that the police conduct a totally illegal *Nacht und Nebel* raid on the ELP's offices.

At this point, the KGB disinformation campaign had reached its peak.

How the disinformation campaign began

After the initial signal given by the GRU's **Georgii Arbatov**, the Soviet disinformation campaign's first salvo aimed directly against the ELP hit simultaneously in Denmark and West Germany. On March 3, three days after Palme's death, the Danish mass-circulation tabloid *Ekstra Bladet* ran an article by its "star reporter," **Paul Gazan**. *Ekstra Bladet* stated that "sources in the police leadership reveal they are looking intensely at right-wing extremist groups, such as the Swedish neo-Nazis and the so-called 'European Labor Party,' which also has a branch in Denmark."

That same day, the Berlin-based pro-terrorist paper *Tageszeitung (TAZ)* issued the same charges against the ELP, writing that "the security police is mainly focusing on right-wing extremist circles including the 'European Labor Party'..."

The simultaneous attack from these two papers is not so extraordinary, if seen from the standpoint of the KGB disinformation network. *Ekstra Bladet's* lawyer is a certain **Jan Schultz-Lorentzen**, among whose clients one finds also the Danish radio journalist **Peter Poulsen**, who slandered the ELP in Denmark as "fascist." Poulsen was taken to a Danish court by the ELP in 1983, found guilty of slander, and fined.

Interestingly enough, Schultz-Lorentzen was also hired as the lawyer for Danish "peace activist" **Arne Herløv Pedersen**, when he was accused of being a Soviet agent. Pedersen had been given money by **KGB Colonel Makarov**, in order to collect signatures of leading Danish cultural personalities for an advertisement in the Danish press, calling for a nuclear-free zone. This was the same Makarov who was the case officer for **Arne Treholt**, when **Maj.-Gen. Titov** had to leave Norway in 1977. In Denmark, Makarov was operating under diplomatic cover from the Soviet embassy in Copenhagen.

"Star reporter" Paul Gazan has been a steady contributor to the Danish leftist sheet *Information*. Gazan has been on the editorial board of a series of left-wing tabloids, including the pro-terrorist *Politisk Revy* and *Socialistisk Politik*. The key journalist at *Information* is one **Jørgen Dragsdahl**, a leading conduit of Soviet propaganda in Denmark, himself married in Moscow to a Russian citizen.

A pupil of the Comintern agent and leader of the communist "resistance" during World War II, **Count Elias Bredsdorf**, Dragsdahl has spent over a decade slandering the ELP. Dragsdahl was the "expert" called into court to testify against the Danish ELP by the Albanian-linked **Danish Communist Party (Marxist-Leninist) — DKP(M-L)**. This group has also been taken to court and sued for slandering the ELP as "fascist." They were found guilty and fined by a Copenhagen court in 1984, appealed the case, and lost again.

The pro-terrorist *Tageszeitung* was co-founded by **Hans Christian Ströbele**, a former lawyer of Andreas Baader of the West German terrorist organization, **Rote Armee Fraction (RAF)**. Ströbele is reported to have received part of his professional training from a high-level East German agent, **Friedrich Karl Kaul**, who also played a role in **Pankin's To Ethnos** project.

In their haste to try to "implicate" the ELP in the Palme murder, the KGB's underlings made a revealing blunder. The writers of the articles in *Ekstra Bladet* and in *Tageszeitung* both admitted that their information

came from the Swedish daily *Expressen*, although they published their articles one day before *Expressen* published its own slander against the ELP.

The March 4 *Expressen* article, written by crime reporter **Leif Brännström**, who is often leaked information by the police, claimed that the ELP is on a list of suspected right-wing or terrorist organizations under investigation by the Swedish security police (**SÄPO**). Brännström adds that the ELP is "known for hate propaganda against Olof Palme," the code words issued by **Arbatov** on March 1. In the same issue, *Expressen* made its own blunder, by publishing an article by Arbatov himself, again rehashing his original KGB disinformation line, about "who hated Palme."

The Gunnarsson connection

In the meantime, the newly-formed police task force investigating the Palme murder, led by Stockholm **Police Chief Hans Holmér**, had secretly picked up and interrogated a 32-year-old Swede, by the name of Gunnarsson. Allegedly, the police picked him up on the basis of a tip provided by somebody, but, initially, found nothing to incriminate him.

Gunnarsson had approached an ELP book table in downtown Stockholm in April 1984. At that time, the ELP was collecting signatures required to file its national party registration forms before the upcoming 1985 Swedish national elections. Gunnarsson signed the ELP petition on the spot, and therefore his name appears together with that of 1,800 other Swedes on the registration forms deposited by the ELP with the Electoral Office of the National Tax Authority.

Gunnarsson showed no interest whatsoever in doing anything to help the campaign, nor was he interested in contributing any money to the campaign. He never attended any ELP meeting, nor did he ever write anything for any ELP publication. Noticing some unbalanced features in Gunnarsson's reactions, the ELP cut all contact with him, in May 1985. Nonetheless, the "Gunnarsson connection to the ELP" was transformed by a KGB-manipulated media disinformation campaign into the "main track" of the Palme investigation.

Despite the fact that Gunnarsson was released after initial questioning on March 2, sources within **Holmér's** task force or the **SÄPO**, already at this early stage, leaked to some selected journalists the story of a potential ELP "involvement" in the Palme murder. This leak within the police should be of crucial importance to any competent investigation of the Palme assassination.

A KGB mole in the Swedish police?

In fact, as security specialists have pointed out, Gunnarsson has the profile of a typical *agent provocateur*: frequent foreign travels, knowledge of several languages, membership in various churches and cultist sects, etc. In the light of the systematic disinformation campaign later conducted, where the alleged "Gunnarsson connection" was the key element used to implicate the ELP in the murder of Palme, it cannot be excluded that Gunnarsson was "sent" to the ELP booktable in April 1984, so that his signature would appear on the ELP registration forms. If so, then the same source in the police apparatus, who controlled and deployed Gunnarsson, could be the KGB mole who leaked to the press about an alleged "ELP track" in the Palme murder investigation.

This hypothesis is, at least in part, supported by another article published in Denmark. Gunnarsson had again been picked up by police for interrogation on May 10, and arrested on May 12 as a possible suspect, but his name was not made public, since the Swedish code of press ethics stipulates that the identity of a detainee must remain undisclosed, until he or she has been tied to the crime.

Nonetheless, the Danish tabloid *BT* published an article by **Jan Søgaard** on March 14, titled, "Olof Palme Murdered by Communist Haters," echoing the **Arbatov-KGB** theme. *BT* is owned by the same group which runs the "conservative" daily *Berlingske Tidende*. The associate editor of "conservative" *Berlingske* is **Nils Nørlund**, brother of the chief ideologue of the Danish Communist Party, **Ib Nørlund**. Nils Nørlund is married to **Willy Brandt's** former wife. *BT's* feature writer, **Jens David Adler**, is a member

of the Pugwash movement, Moscow's nuclear disarmament asset in the West. *BT* wrote:

"The 35-year-old, who is suspected for the murder of Olof Palme, was already known to the Swedish security police SAPO (sic). The reason is his connection to the extreme right-wing movement, the 'European Labor Party'. According to sources in SAPO, the 35-year-old has been a sympathizer of the EUP (sic) and has worked on a freelance basis for the party, among other things by authoring articles for party journals. In those, he has been very aggressive against Olof Palme. Therefore, the 35-year-old was registered [by the police]."

Aside from the lie that Gunnarsson was "authoring articles for party journals," the fact that his name was on the ELP's registration forms was not known at that time, not even to the journalists, who would "discover" it only three days later. Thus, someone in the police or security police was evidently complicit in trying to implicate the ELP in the murder. Were these the same sources who "sent" Gunnarsson to the ELP in the first place? Again, one must ask why police protection was not provided for Palme on the evening of Feb. 28.

On March 17, **Holmér** announced to the press that the 32-year-old suspect was going to face charges as a perpetrator of the Palme murder. That was the long-expected signal for the KGB media disinformation campaign to explode into a world event.

The KGB's "conservative" side

The media campaign peaked on March 18, carried first by Swedish Radio, and then later by television and radio throughout the world. It was Sweden's leading "conservative" daily, *Svenska Dagbladet*, which spearheaded this campaign. The paper carried a front-page title, "Suspect to Be Charged, Member of Political Sect," over an article written by **Richard Aschberg** and **Sune Olsson**. Ironically, Richard Aschberg is the grandson of the key Swedish "Trust" operative at the beginning of this century, the "Red banker" **Olof Aschberg**, a friend of **Lenin** [See Chapter III, Section 2].

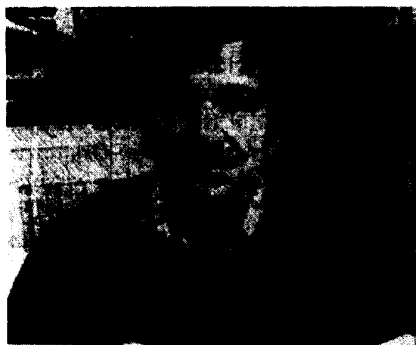
Already, *Svenska Dagbladet* had gone on record as the "conservative" counterpart to the Social Democratic *Aftonbladet* in campaigns against the Swedish ELP. In September 1984, *Svenska Dagbladet* had run a two-part series by journalist **Willy Silberstein**, slandering the ELP as a "political sect," which had sent its members for paramilitary training in West Germany, and which was forcing its female members to have abortions, so that they could work harder!

The fiction of the ELP's weapon training in West Germany was picked up on March 19, 1986, by *Aftonbladet*, which was not ashamed to run — one day after the false picture of the ELP and "Gunnarsson" — a two-page fabrication, lying that the West German Nazi-terrorist **Karl-Heinz Hoffmann**, who was jailed some years ago, had trained at least six Swedish ELP members!

The chief difference between the "conservative" *Svenska Dagbladet* and the Social Democratic *Aftonbladet* is, that while the latter accused the ELP of being a CIA operation, *Svenska Dagbladet*, with a more conservative readership, blasted the ELP as KGB!

Svenska Dagbladet journalist Willy Silberstein had based his "research" on the ELP primarily on the work of another journalist, **Hans Lindquist**, the political editor of a small liberal paper, *Falu Kuriren*, in the Dalarna province. Most of the slanderers of the ELP in the March 1986 KGB-campaign, whatever their angle ("CIA," "KGB," "Ku Klux Klan," "political sect," etc.), cite Lindquist as the "expert" on the ELP. Even police sources, and Holmér's task force spokesman **Leif Hallberg**, have described Lindquist as a "very reliable source on the ELP." **Sune Olsson** from *Svenska Dagbladet* referred to Lindquist. **Leif Brännström**, from *Expressen*, also referred to Lindquist.

Who then is this Lindquist? A former member of the Soviet-controlled "Syndicalist" organization, together with **Professor Joachim Israel**, Lindquist has spent more than a decade of his life attacking the ELP and



"Ex-syndicalist" Hans Lindquist, a "very reliable source" for police spokesman Leif Hallberg (below).



LaRouche. Already in 1976, he published an article slandering the ELP as KGB. Interestingly enough, he has also written a manuscript, not yet published, entitled "The Brown Shirts of the Seventies," the same title which was used for a pamphlet written against LaRouche in the U.S., by another so-called "LaRouche expert," **Dennis King**.

This use of the same title was not accidental, nor was it mere journalistic plagiarism. It reflects instead the common Soviet intelligence matrix for operations against LaRouche, both in the U.S. and in Sweden.

The ADL connection

Another person who referred to Lindquist was the head of the **Anti-Defamation League (ADL)** in Sweden, **Gabriel Stein**, who also recommended investigators to contact *Aftonbladet* for more information on LaRouche. This is not as strange a connection as it might appear. In 1975, the first banner-headline attack on the Swedish ELP, carried by *Aftonbladet*, was written by communist activist and psychologist, **Gun Zacharias**, a member of a Jewish family that emigrated from the Soviet Union. Zacharias was one of the guiding figures in the formation of the post-1968 leftist movement, and has also given lectures for Swedish military circles.

The material used by Lindquist against the ELP is the same mixture of slanders and lies collected by the ADL in New York City. The ADL, nominally a pro-Jewish lobby organization, is, in fact, an organized-crime connected organization, which maintains back-channel contacts with Soviet intelligence, primarily through the left-wing of the **Socialist International**. In other locations, the *EIR* has published extensive documentation of the ADL's drug-lobby connections, and will refer to it here only cursorily.

In 1977, LaRouche initiated an in-depth investigation of the international drug trade, leading to the publication of the best-selling book, "Dope, Inc." The organized-crime linked ADL decided to launch a major campaign to destroy LaRouche, who had dared to unveil the financial secrets behind the drug trade. Since drug trading also involves some criminal elements of Jewish origin, like the late infamous mobster **Meyer Lansky**, since that time the ADL has labelled LaRouche "antisemitic," "Nazi," "KKK-connected," a "Führer," and so forth.

The ADL case officer in charge of defaming LaRouche is the head of the ADL's so-called "**Fact Finding Division**," **Irwin Suall**. Suall is an official member of the **Socialist International**, a close friend of **Willy Brandt's** personal assistant, **Klaus-Henning Rosen**, and of **Pierre Schori**, with contacts to the **American League for Industrial Democracy**. Among Suall's agents, one also finds terrorists like the **Jewish Defense Organization's Mordechai Levi**, who publicly threatened LaRouche with assassination, in a press conference in Israel on August 23, 1986. The press slanders are primarily conduited through **Chip Berlet** from Chicago and **Dennis King** from New York City.

Chip Berlet and Dennis King

Chip Berlet wrote one of his first articles against LaRouche in the official drug-lobby paper in the U.S., *High Times*, which paper openly advocates the legalization of drugs. Dennis King, a former Maoist of the **Progressive Labor Party**, who was convicted of fraud, wrote a series of articles against LaRouche for the New York City throwaway paper *Our Town*. The publisher of *Our Town*, **Ed Kayatt**, was convicted of extortion, while his chief sponsor, homosexual **Roy Cohn**, was one of the recent fatal victims of the AIDS epidemic. Cohn, an adviser to the infamous **Senator Joe McCarthy** in the 1950s, was also the legal counsel for the five major Italo-American Mafia families of New York.

The ADL's documented involvement with organized crime can only be highlighted here:

- **Kenneth Bialkin**, the retiring national executive committee chairman of the ADL, is one of the two senior managing partners of the ADL's law firm, **Wilkie, Farr and Gallagher**. In January 1980, a jury in the U.S.

Southern District Court of New York ruled that Wilkie, Farr, and Gallagher had to repay \$35 million of investments, which had been looted from the **Fund of Funds** of fugitive financier, **Robert Vesco**. From 1968 until the exposure of Vesco's criminal activities in 1975, Wilkie, Farr, and Gallagher had represented Vesco's companies, including **Investors Overseas Services**, Fund of Funds, etc. Vesco is today safehoused in Havana, Cuba.

- On January 29, 1982 Italian authorities brought suit before the U.S. Southern District Court charging that **Sterling National Bank**, the ADL bank, together with former Nixon Administration Treasury Secretary **David Kennedy**, had aided **Michele Sindona** in robbing \$27 million from the **Banca Privata Italiana**. Murdered this year in an Italian prison, Sindona was reputed to be one of the major bankers for the international Mafia.
- In 1983, the ADL gave its "Torch of Freedom" award to **Morris Dalitz**, one of the best-known American Mafia leaders and a founding member of the notorious, Cleveland-based "**Purple Gang**".

These examples could be multiplied *ad infinitum*. For details, we refer the reader to the book, "Dope, Inc."

Not only did the ADL issue its drug-lobby slanders against LaRouche and the ELP in Sweden. It was also directly involved in the illegal police witch-hunt investigation of the ELP. First, **Irwin Suall** appeared on *NBC-TV's Nightly News* on March 18, certifying that "it is not inconceivable" that a person connected to LaRouche might have killed Palme. Secondly, the ADL provided a liaison between the U.S. State Department, Israel's and Sweden's embassies in Washington, the Swedish foreign ministry and the Swedish police. In short, the same Kissinger-linked networks around **Pierre Schori**, which had been exposed, but not destroyed, as a result of the interrogation of **Treholt**.

EIR's investigation showed that **Jonas Håfström**, a **Moderate Party** associate employed as the first secretary at the Swedish embassy in Washington, approached the Israeli embassy for assistance in the Palme murder investigation. The Israeli deputy chief of mission, **Elyahim Rubenstein-Migdal**, in turn directed the ADL to turn over its files on LaRouche to the Swedish authorities. **Abe Foxman**, International Affairs Director of the ADL, received these instructions before traveling to Israel. Foxman saw to it that members of the Swedish embassy were given access to the ADL's files, some of which material was reportedly "coded" for transmission to the Swedish foreign ministry, for distribution to **Holmér's** task force through **Nils Rosenberg**.

Meanwhile the State Department's Swedish Desk, through a certain **Richard Christensen**, advised journalists to get in touch with **Göran Rosenberg**, a Swedish TV journalist in Washington, D.C. Christensen characterized Rosenberg as a person well-informed about the ELP. In 1982, Rosenberg, together with his colleague **Larsolof Gierfta**, had produced a vicious TV program against the ELP, slandering the party as "Nazis." The TV program featured "experts" on LaRouche, such as **Milton Ellerin** from the **American Jewish Committee** and **Michael Harrington** of the **Democratic Socialist Organizing Committee**. Both these individuals have close connections to the ADL's Irwin Suall.

Yet another significant link in this Swedish-American axis against the ELP and LaRouche, was the press attaché at the Swedish Washington, D.C. embassy, **Stig Hadenius**. Along with **Schori** and others mentioned above, Hadenius was one of those singled out by **Treholt** in 1984 as belonging to the category of "Soviet agents of influence or sympathizers," according to *EIR's* sources. Again and again, *EIR's* reconstruction turns up Soviet agents, Western representatives of the "**Trust**" and organized-crime connected figures — all deployed in the disinformation campaign against LaRouche.



Dennis King, a former Maoist convicted of fraud, cooperates with drug lobbyist Chip Berlet (below) in conducting slanders against LaRouche for the Anti-Defamation League.



Searchlight for the KGB

A further piece in the puzzle, also connected to the ADL operation in Scandinavia, is represented by the London-based "investigative" and "anti-fascist" monthly journal, *Searchlight*. Here again, the tracks of the story lead back to Soviet and DDR intelligence networks.

The January 1986 issue of *Searchlight* reported on an *EIR* seminar held in October 1985 in London. Concerned, as the journal claimed to be, "about the two hundred people who were at the meeting," and about the high level of the audience, *Searchlight* mounted an attack on LaRouche — an attack which became significant for developments in Sweden two months later. Under the headline, "Far Right Spooks Move In," and with the caption, "U.S. private intelligence agency at work in UK," *Searchlight* wrote:

"A former member of the organization that we spoke to warned us that the organization 'kills' and a UK private security firm, which has strong links to British intelligence, has given a similar warning"

The article continued, quoting U.S. officials, that *EIR* is "one of the best private intelligence agencies in the world," and stressed — as did **Petrusenko** in his book — that LaRouche's influence is particularly strong in Latin America, "where *EIR* operates a string of 'bureaus' and maintains the highest-level links with a number of governments, especially those of Guatemala and Mexico."

The circulation of the line that LaRouche's organization "kills," is not simply a wild accusation by some obscure British publication, but rather a multi-level, sophisticated feature of Russian-run propaganda in preparation for a major disinformation operation. *Searchlight* was founded by **Maurice Ludmer**, an old communist agent, who died in 1981. His companion, the current chief editor of the magazine, is one **Gerry Gable**. The Russian embassy in London obligingly provides inquirers with the memorized address and telephone number of *Searchlight*, in case of need: the liaison to the journal is maintained through the Soviet embassy's press attaché, **Gennadi Shabanikov**.

Gerry Gable was born in January 1937. A former member of the **Young Communist League**, Gable ran as a Communist Party candidate in the Northfield ward of Stanford Hill, north of London, in 1962. According to the British *Sniper* intelligence publication, Gable "was also linked to the Zionist 'antifascist' **62 Group**, formed by veterans of the anti-Mosley group. The 62 Group (mostly supporters of the Beginite **Herut Organization**, a political successor to the **Irgun Zvai Leumi** terrorist group) specialized in direct action, infiltration, dirty tricks, and burglary."

In fact, in January 1964, Gerry Gable and two of his companions were convicted at Highbury Magistrates Court for committing burglary in the apartment of right-wing historian, **David Irving**. According to *Sniper*, Gable's functioning as an agent is documented by the fact, "that Gable has been passing information to **Special Branch** [British political police], **MI5** [British internal secret service] and foreign security services for twenty years; he has served as a conduit for misinformation and 'black' propaganda between MI5 and the media..." *Sniper* also quotes from a private letter by Gerry Gable, in which he claims to have connections to the "French and British security services... I may try somebody at the **Israeli Foreign Office** that I know..."

Who runs Gerry Gable?

The *EIR* can now shed some light on exactly who Gable's real controllers are. For years, he has worked with the Paris-based representative of the ADL, **Shimon Stanley Samuels**. Gable has admitted, that he and Samuels coordinate operations against the LaRouche organization in Scandinavia. In fact, the afore-mentioned Swedish "ELP watcher," **Hans Lindquist**, has admitted, that he has worked for Samuels on anti-ELP operations in Scandinavia. What Gable does not admit is even more significant. His intelligence-gathering and "dirty-tricks" operation is ultimately under Soviet intelligence control, mainly through the mediation of **VVN**-related "Nazi-hunting" networks.

VVN is spelled out, **Vereinigung der Verfolgten des Naziregimes — Bund der Antifaschisten** ("The Society of those Persecuted by the Nazi Regime — League of Antifascists"). The VVN was created in the Soviet-occupied zone of Germany in 1945, and works under the auspices of the Soviet world umbrella organization, the **Coordinating Committee of International Veterans' Organization**.

Gathering survivors of Nazi concentration camps, like Gable's friend and collaborator at *Searchlight*, Maurice Ludmer, who was at Bergen-Belsen, the VVN has the official cover of gathering news on the revival of Nazi and neo-Nazi groups, antisemitism, etc. In reality, it is a tightly-run Soviet and DDR intelligence operation, with most of its personnel coming from the **German Communist Party (DKP)**, and it currently serves as a covert planning structure for the low-intensity warfare unleashed against the Federal Republic of Germany and its industries by terrorists, pacifists and ecologists.

The key personnel in the VVN structure are: **Max Oppenheimer**, who collaborated with British intelligence during the war, **Kurt Erlebach**, **Emil Karlebach**, an official member of the DKP, **Paul Grünwald**, and others. As in the case of *Searchlight*, any Soviet or East Bloc "journalist" based in West Germany will refer to the VVN archives for anything concerning LaRouche and the ELP.

Some VVN leaders admit personal acquaintance with the family of "master spy" **Markus ("Misha") Wolff**, the head of the infamous East German intelligence service, **Staatssicherheitsdienst (STASI)**. Organizationally, the VVN "depends" on two East German agencies, the **Institut für Internationale Politik und Wirtschaft (IPW** — Institute for International Politics and Economy), based in West Berlin, and the **Komitee der Widerstandskämpfer** (Committee of Resistance Fighters), in East Berlin.

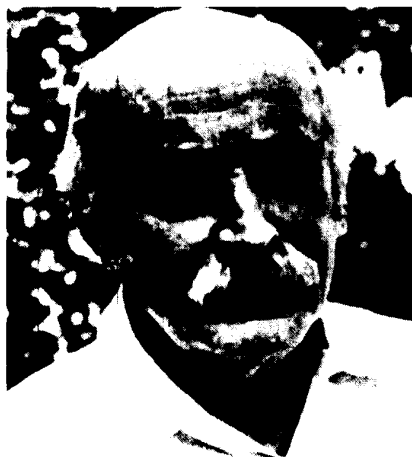
In Moscow, this Soviet and DDR run "antifascist" operation has been controlled by two individuals mentioned above, in the context of the **Pankin-Losev** KGB disinformation apparatus: **Ernst Henry** and **Julian Semyonov**.

Semyonov, who has the rank of GRU Colonel, is a "correspondent" for *Literaturnaya Gazeta* in several countries, and has often been caught running operations against LaRouche. Spy-novel author Semyonov was the first to initiate the new vogue of the Russian-KGB "James Bond" aura, with popular films and TV series made of his books, as part of the current Stalinist revival in the Soviet Union.

Ernst Henry, now over 80 years old, is also known to Western intelligence sources under his real name, **Semyonov Rostovsky**, and has been identified by British press as the "spy-master of the **Philby** circle." He began his "antifascist" capers in the 1930s, operating as "**Anatolii Grimov**," primarily in Austria and Germany. In 1940, he was assigned to the Soviet embassy in London, and then moved to the U.S. to assume direct control of Soviet spy **Donald Maclean**. Returning to Moscow in 1951, the same year Maclean defected, Ernst Henry is still active today. One of his more recent operations was to "expose," in an article in *Sovietskaya Rossiya* in May 1981 — one week before the assassination attempt on **John Paul II** — how the CIA controls the Turkish **Grey Wolves**.

The official VVN publication, *Die Tat*, is the same that KGB disinformers **Vitalii Petrusenko** quoted as his "independent Western source" for the claim that in 1976, "the CIA annually provided *New Solidarity* with \$90,000 and that about 80 percent of its staff were CIA and FBI people."

Thus another piece has been located in the puzzle of the KGB's disinformation apparatus, deployed for years against LaRouche. Here the story of *Svenska Dagbladet* is resumed.



Ernst Henry, aging KGB spy-master and disinformation specialist, was deployed in the campaign against LaRouche and the ELP — see Chapter II, Documentation.

"Destroy the ELP!"

As pointed out above, **Richard Aschberg**, the grandson of the Soviet's "Red banker," together with police "leak" **Sune Olsson**, were the ones to fire the March 18 opening salvo against the ELP with a front-page article in *Svenska Dagbladet*. Repeated attacks on the ELP by **Willy Silberstein**, and Silberstein's connections to **Hans Lindquist** and the Swedish **ADL**, have

been identified. It should be noted here that one of Silberstein's best friends is the communist journalist **Folke Schemanski**, from the radio program "OBS Kulturkvarten," in which the ELP was attacked in the spring of 1984. Schemanski's sister **Vera Oredsson** leads the Swedish Nazi party, **Nordiska Rikspartiet**.

On March 19, the day **Gunnarsson** was released, *Svenska Dagbladet* went on inventing lies that would make Goebbels blush, claiming that Gunnarsson was in the ELP already in the mid-1970s. *Svenska Dagbladet* also quoted the Soviet-contaminated U.S. **Heritage Foundation** saying that ELP supporters in the U.S. receive "terrorist training."

Despite the fact, that the release of Gunnarsson deprived the media of their number-one card against the ELP, *Svenska Dagbladet*, the house organ of the Swedish oligarchy, continued its lying. On April 2, the paper carried an "insight" column, entitled "A Sect with Obscure Branches," written by editorialist **Fredrik Braconier**, which is nothing short of a clarion call for banning the Swedish ELP organization.

Braconier whined about "the ELP's sick and frightening campaigns against various people. Add to that the ELP's obviously rather intensive information-gathering on an international basis. In a number of instances, their information has been transmitted to intelligence services and government authorities."

"Can such activities be considered generally acceptable? The public activities of the ELP has long passed the limits of decency. They react menacingly toward those who investigate their activity. It is not reasonable that this sect, with its international branch and obscure aims, unchecked and undisturbed be able to gather data in Sweden about conditions in the country and concerning private individuals."

After the international press campaign targetting the ELP, with the Swedish press, and *Svenska Dagbladet* in particular, trying to outdo Goebbels in lies and forgery, complaints about the "unchecked" and "undisturbed" activity of the ELP reveals, indeed, an intense fear of the ELP — a fear verging on schizophrenic paranoia.

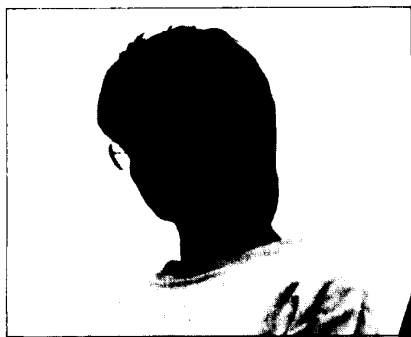
As one might have expected, this oligarchical phobia of the ELP led *Svenska Dagbladet* to make some serious mistakes, which exposed the pawprints of the **KGB Disinformation Department**. And, by now, these pawprints should be quite familiar to the reader.

On Aug. 5 and 6, 1986, *Svenska Dagbladet* gave prominent coverage to the lies of the New Jersey organized-crime-linked bank, **First Fidelity**, claiming that "organizations associated with Lyndon LaRouche" had "defrauded the bank of \$750,000." That same day, the same lies were referred to by *Tageszeitung*, the pro-terrorist Berlin-based paper. On Aug. 7, *Svenska Dagbladet* carried a large "scoop," claiming to have discovered the "secret headquarters" of the European Labor Party in Germany, with a large photograph and a description of the home of the manager of *EIR* magazine's German bureau, Anno Hellenbroich.

What was actually behind these new attacks by *Svenska Dagbladet*? The New Jersey First Fidelity bank had been denounced by *EIR* and exposed in a local court for its drug-related money laundering practices and organized-crime connections — including connections to leading **ADL** personalities. A countersuit launched by the bank against "organizations associated with LaRouche" was a desperate attempt by First Fidelity's corrupt management to avert a prison term. *Svenska Dagbladet* had obviously decided to side with the mob bank against LaRouche!

The case of Leo M. Müller

The *Svenska Dagbladet* article of Aug. 7 is even more interesting. The author, a *Svenska Dagbladet* correspondent in West Germany, **Tomas Lundin**, writes that *EIR* knew "exactly who my informant is: name, address, profession, etc. Information that in fact should have been impossible to obtain." What was the real story? Lundin had approached and photographed Hellenbroich's home in late March 1986, in the midst of the KGB media barrage against the ELP and LaRouche. Lundin was accompanied by a cer-



During the KGB disinformation campaign, "conservative" *Svenska Dagbladet* correspondent Tomas Lundin (above) appeared with extreme leftist journalist Leo M. Müller at the home of the *EIR*'s German manager.



tain **Leo M. Müller**, a Wiesbaden-based operative, for years a figure well-known to *EIR*.

A "journalist" of the extreme left, Müller is a full-time LaRouche "watcher," both in the U.S. and in West Germany. He is closely connected to journalists at *Tageszeitung*. Müller also writes for the Vienna-based *Moderne Zeiten* (MOZ) publication, which is officially financed by the Libyan regime of **Muammar Qaddafi**. Representatives of the **Libyan Bureau** (embassy) in Vienna are in the MOZ editorial board, together with representatives of the Nazi-Communist "**Marxist Revolutionary League**" of the Greek **Michael "Pablo" Raptis**, the same "Pablo" who, together with **Andreas Papandreou**, founded in 1934 the "**Trotskyist International**" in Greece, and who today plays the role of secret "adviser" to the Papandreou government. Pablo's organization has been attacking the *EIR* both in France and West Germany.

In his "anti-LaRouche" project, Müller currently works with *Tageszeitung* collaborator **Helmut Lorscheid**, a journalist working for various left-wing radical publications. Lorscheid, an organizer of "anti-imperialist" meetings, has also been referred to by **Ayatollah Khomeini's** official press agency *IRNA* in Bonn. Müller maintains regular contacts with ADL operative **Dennis King** in the U.S., while Lorscheid maintains contacts with **Klaus-Henning Rosen**, **Willy Brandt's** personal assistant. Rosen maintains a continuous exchange of information on LaRouche, and coordinates operations against LaRouche with the ADL's **Irwin Suall**. Rosen is also in close contact with the VVN group in Frankfurt.

Looking closely into these attacks against the ELP by the "conservative" *Svenska Dagbladet*, one finds — once again — the same old networks: the pro-terrorist *Tageszeitung*, the Iranian and Libyan regimes, the VVN and its Soviet and DDR intelligence controllers, the left wing of the **Socialist International** and the drug-related ADL.

Reality starts to surface

On March 4, 1986, LaRouche wrote a memorandum entitled "Journalists' procedures for investigating the killing of Prime Minister Olof Palme: investigative hypotheses" [See page 9.]. In the memorandum, LaRouche formulated a methodological approach to the question of who killed Palme, as well as to the "international coverage of the killing, by news media, governmental agencies, and other relevant agencies." While LaRouche identified a broad spectrum of possibilities regarding the motivation of the assassination, he emphasized the connection between the Soviet KGB and certain Western finance-rentier interests as the most probable "agency" which carried out the murder.

This memorandum was widely circulated by the *EIR*'s offices among journalists and others concerned, both in Sweden and internationally. This *EIR Special Report* provides another, more extensive documentation of the policy and methodological outline issued in the memorandum of March 4 and, subsequently, in several press releases and articles.

As a result of the hard-nosed fight put up by the Swedish ELP and by the *EIR* — against the KGB disinformation campaign which was aimed at destroying them — some pieces of reality have begun to surface in various Western governmental and intelligence circles, as well as in a few media outlets. According to reliable intelligence sources, some Swedish politicians and honest policemen have, since the time Palme was murdered, shared the *EIR*'s suspicions concerning a KGB involvement. Such suspicions have also been strong among groups of patriotic officers in the Swedish Armed Forces. However, the general hysteria and the emotional manipulation of the murder by the KGB and its Western assets, put these forces on the defensive.

One exception to this was the article published on June 8 in *Dagens Nyheter*, by Swedish Navy **Commander Hans von Hofsten**, who in a rather implicit, yet obvious manner made the connection between the Palme murder and Soviet pre-war operations [See Chapter II, Section 1.].

The Polish art salesmen

On March 19, 1986, the French regional paper *L'Est Eclair*, carried a large article entitled, "But Who Killed Olof Palme?," by author **Jean Grand-mougin**. Reflecting information from reliable intelligence sources, *L'Est Eclair* gave first a correct description of the KGB control over Mid East and Islamic terrorist networks, concluding with the following remarks:

"The Swedish secret services picked up some tourists last year selling cheap paintings which, although made in Hong Kong, carried Polish labels. [The tourists] caught in the net, carried with them 66 maps with locations of airports, new roads, bridges, and appropriate places for parachute drops. The [Swedish] Defense Minister wanted to know more. He made a poll of all Swedish Air Force pilots to see if they were visited by these art salesmen. Some one hundred answered positively. In one region alone, over 60 percent of the pilots had been approached. These Polish people drove used cars with Swedish license plates. While they were presenting themselves as art students, it became clear that some of them were engineers, architects and nuclear experts. Were they on assignment to draw the maps of the military targets which were to be neutralized during, or immediately prior, to a military conflict? The hypothesis has been raised, that they were special commandos, of the Soviet 'Spetsnaz' types. It is no longer a secret, that submarines have regularly violated Swedish territorial waters. Two years ago, something resembling mini-submarine tracks were discovered on the sea bed not far from Stockholm. Perhaps these are indications of the frame of the investigation into the murder of Olof Palme."

At the end of March, the conservative French paper *Présent* refuted the grand disinformation campaign, by stating that the ELP cannot be classified as "extreme right-wing," and reporting, at the same time, that "Western intelligence circles" believe that the Soviets are likely to be behind the Palme murder. The May 1986 issue of the American *Conservative Digest* monthly ran extensive coverage of the Soviet **Spetsnaz** special commandos, in which author **William P. Hoar** stated that "heavy speculation has also arisen about Spetsnaz involvement in the recent murder of Swedish Prime Minister Olof Palme."

The same hypothesis was raised by the British *Sunday Express* of August 31, 1986, which ran a large article under the title: "Did the KGB Murder Olof Palme?" The *Sunday Express* stated that "intelligence sources say that Sweden has long been the playground of the KGB," something which *EIR* documents extensively in this *Special Report*.

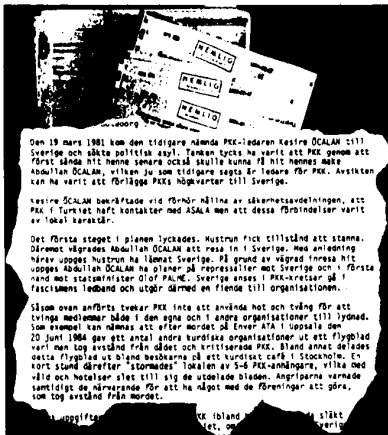
Sunday Express also wrote, that some people in the Swedish police "say they are investigating the possibility of the killer being a KGB heavy sent to end Palme's interference" with Moscow's designs, a statement which obviously does not originate from the task force led by **Holmér**, who has done everything to promote the KGB disinformation campaign. The *Sunday Express* article reflects, according to reliable sources, the thinking of certain NATO intelligence circles, who some weeks previously had noted the curious fact that Holmér's task force had come up with absolutely nothing after six months of investigation.

While these are rare denunciations of the possible KGB role in the murder of Palme, they nonetheless break the overall conformity of the Soviet disinformation campaign in the West, and make the *EIR*'s revelations less of an isolated and unique case. This *Special Report* hopes to accelerate the investigation into the Soviet involvement in the Palme assassination, providing a more detailed analysis and an in-depth historical overview, so that the courage might be found to track and punish the murderers of the Swedish prime minister.



On Aug. 31, the British *Sunday Express* asked the relevant question concerning the Palme murder.

The Kurdish Workers' Party — PKK: a branch of "Soviet Murder, Inc.?"



In a secret memo of Sept. 17, 1984, the Swedish Security Police (SÄPO) warned the government of PKK "plans of reprisals against Sweden and first of all against Prime Minister Olof Palme."

Among several possible instruments for carrying out the murder of Olof Palme, the international terrorist organization of the so-called **Kurdish Workers' Party (PKK)** represents a main track in any serious investigation. The PKK had a stated motive for killing Palme, the PKK had already carried out political assassinations in Sweden and elsewhere, and the PKK operates out of its secret headquarters in Damascus, Syria, a known hotbed of Soviet-intelligence-run irregular warfare against the West.

Although the Swedish Security Police (SÄPO) immediately pointed to the PKK as a possible suspect for the murder, the leaders of the investigation under Stockholm Police Chief Hans Holmér were so busy attempting to tie the 33-year-old suspect to the crime, that they had little interest in SÄPO's leads. When a group finally was formed to investigate the PKK, it was drawn from police forces other than SÄPO, disregarding the expertise accumulated during years of SÄPO surveillance of the PKK.

According to police sources, Holmér's group, rather than walking across the corridor to obtain SÄPO's swelling PKK dossier, requested all information about the PKK from the West German Federal Criminal Police (BKA) — which, in turn, replied that all PKK information in the BKA's possession came from the SÄPO! It was only after months had been wasted in fruitless efforts to pin the blame on Palme's domestic political opponents, that a more serious investigation of the PKK's role got off the ground, now under the aegis of SÄPO.

The PKK has about 30 activists in Sweden, organized in the so-called **Democratic National Association of Kurdistan** and the **Swedish-Kurdish Cultural Association**, both of which front organizations since 1983 have been funded in part by Swedish tax payers. The PKK's book café is located three blocks away from the scene of the Palme murder, along the presumed flight route of the killer.

One day after the murder, the Swedish daily *Expressen* received a phone call from a man who said, in broken Swedish, "Long live PKK! Long live Kurdistan! We have murdered Palme. Long live Kurdistan." Among the material seized during police raids of PKK homes and offices after the murder, a note was found mentioning a "wedding" and the name of Palme. "Wedding" is considered a code word often used for murders.

The PKK has been subject to SÄPO surveillance since at least the early 1980s, when the PKK was planning to set up its headquarters in Sweden. In a secret memorandum to the Swedish government, the SÄPO warned of planned PKK "reprisals against Sweden and first of all against Prime Minister Olof Palme," because the PKK's leader, **Abdullah Öcalan**, who is the Secretary General of the PKK's secret Central Committee in Damascus, was refused entry into Sweden. In the Sept. 17, 1984 memorandum, the SÄPO stated:

"On March 19, 1981, the PKK leader already mentioned, **Kesire Öcalan** [Abdullah's wife — edit.], arrived in Sweden and applied for political asylum. The idea seems to have been that by first sending her here, the PKK would also be able to get her husband Abdullah Öcalan here later, who, as already mentioned, is the leader of the PKK. The purpose may have been to transfer the PKK headquarters to Sweden.

"Kesire Öcalan confirmed when interrogated by SÄPO, that the PKK in Turkey has been in touch with **ASALA** [Armenian Secret Army for the Liberation of Armenia — edit.], but that these connections have been of a local nature.

"The first phase of the plan succeeded. The wife obtained a resident permit. But Abdullah Öcalan was refused entry into Sweden. Because of the refused entry, Abdullah Öcalan reportedly has plans of reprisals against Sweden and first of all against Prime Minister Olof Palme. In PKK circles, Sweden is considered to be on a fascist leash, and therefore is an enemy of the organization."

After Abdullah Öcalan was refused entry in March 1984, his wife Kesire left Sweden. On June 20, 1984, Enver Ata was shot in the back — just like Palme —

Please turn over

in Uppsala by **Zülküf Kilinc**, and on Nov. 2, 1985 Cetin Gungör was shot in the back at a Kurdish meeting in Stockholm, by **Nori Candemir**. Both Ata and Gungör were former leading PKK members, who had dropped out. The PKK paper *Serxwebûn*, the address of which is a Cologne post office box, took credit for the murders, writing that both were "traitors punished by the PKK's patriots." Other murders were carried out in Denmark and West Germany.

The two killers were PKK agents deployed to Sweden for the job, but were caught by SÄPO, tried, and given life-long prison sentences — in the case of Candemir on Feb. 26, 1986, two days before the Palme murder.

In December 1984, the Swedish government declared eight Kurds to be PKK terrorists, who were not allowed to travel outside their home municipalities without special permission, and who had to report to police three times each week. In May 1985, Istanbul lawyer **Hüseyin Yildirim**, public spokesman for the PKK in Sweden, was arrested by SÄPO and interrogated for 11 days. His passport was seized and held until December 1985, after which he left the country.

In August 1985, Yildirim told the Swedish daily *Svenska Dagbladet*:

"I don't think the situation for the PKK in Sweden can be characterized simply as one where the SÄPO is deceiving the government. We are beginning to believe that the Swedish government has decided to fight against the liberation of Kurdistan and PKK. It seems like Sweden has declared war against Kurdistan. (...)

"Sweden has to remove the hallmark of terrorism from the PKK. We do not tolerate that Swedish authorities are fighting Kurdistan with lies. Our patience will last another two months. Then we will consider Sweden an enemy. (...)

"The SÄPO is preventing me from freely speaking and promoting my views in Europe. Thereby Sweden is running errands for the Turkish fascist military junta."

The Swedish embassy in Ankara, Turkey, had obtained the statutes of the PKK and other documents seized by Turkish police in raids against the PKK. The documents show that the PKK indeed executes traitors and defectors, how the PKK is organized according to "Marxist-Leninist" principles, and who sits on the PKK's secret Central Committee in Damascus.

In January 1985, a public announcement in Athens had received little publicity, as the "**Turkish Liberation Front**" was created. In fact, it should have been called the "Kurdish Liberation Front," since the activities of the PKK were merged with those of the so-called **Patriotic Union of Kurdistan** of **Jalal Talabani**.

The new front joined forces with the **Palestinian Front for the Liberation of Palestine (PFLP)** of **George Habash** and with the ASALA. A Kurdo-Armenian alliance against the Turks is not the most obvious political development, as Kurds were in the vanguard of the World War I attacks against Armenian communities. What made it possible, was the joint so-called "Marxist-Leninist" ideology, as well as the common paymaster: the Soviet Union. Through the PKK headquarters in Damascus, a relationship with Habash and the ASALA had already been developing for years.

As a result, these groups have been largely merged, and nobody can tell whether ASALA actions were not in fact perpetrated by Kurds, or vice versa. As documented in the case of the drug-running ASALA "**Shoemaker ring**" of **George Makhoul**, which was blown in Sweden in 1981, old antagonisms can be easily overcome, when it comes to arms or drug smuggling operations where political ideology per se is overruled. Not accidentally, George Makhoul's first cousin, **Anita Makhoul**, is the wife of Syrian **President Hafez al Assad**. Kurdish extremists, their Armenian counterparts, and many others, have one common base: Damascus.

The Swedish police vendetta against the ELP



Stockholm Police Chief Hans Holmér. Computerizing a million pieces of "information" will not help tracking the authors of the murder, but may provide a cover under which to run dirty tricks against your political enemies.

An evaluation of the overall performance of Swedish security and police forces around and after the assassination of Olof Palme, and the successive creation of the mammoth task force under Stockholm **Police Chief Hans Holmér**, must begin with the question: why were Palme and his wife without protection, left exposed without even a discreet screening, that evening of Feb. 28, 1986?

Several warnings of terrorist deployments in the Scandinavian countries had been received in the weeks before the murder. After the assassination, Italian **Prime Minister Bettino Craxi** stated, that the Italian secret services had received general information about a possible terrorist attack in Sweden, information which was passed on to Interpol. Furthermore, the beginning of 1986 was characterized by a massive escalation of terrorist deployments world-wide. So, the question remains: why was Palme left unprotected?

The overall police reaction immediately following the murder was characterized by improvisation, mishaps, and sheer blunders [See *Chapter II, Section 1.*]. What developed afterward, generally, and particularly in regard to the Swedish ELP, can only be described as criminal behaviour by the leadership of Holmér's task force.

According to reliable intelligence and police sources, both in Sweden and internationally, a secret faction fight developed among the investigators immediately after the murder on how to proceed: forces within military intelligence, the counterespionage division of the **Security Police (SÄPO)** and experienced police officers, all tended toward a broad investigative approach, without excluding any possibility, including the highly probable involvement of the secret service of a hostile foreign power.

Holmér's group, backed by the pro-Moscow Social Democratic Mafia-machine, instead imposed a strict, bureaucratic type of approach of collecting innumerable pieces of computerized information, rejecting any investigative hypothesis. This was combined with a total compartmentalization of the huge 300-person task force, with only a handful of people around Holmér centralizing the collection of information stored in the data base in Holmér's so-called "Palme Room."

Traditionally in Sweden, the Stockholm police chief enjoys a significant national influence and power. With the creation of his task force, Holmér de facto usurped emergency powers of a kind heretofore unseen in parliamentary democracies, something that was soon to have catastrophic consequences.

One of the results of Holmér's totalitarian control over the investigation was the capability of the task force to launch an illegal attempt aimed at politically destroying the Swedish European Labor Party (ELP). Since the beginning of the investigation, forces within Holmér's task force have systematically tried to facilitate a "character assassination" of the ELP, through a series of deliberate police leaks and conscious disinformation. Worse, this illegal campaign against the ELP endangered the lives of ELP members, as well as encroaching upon the party's constitutional right to conduct political campaigns.

As already documented, immediately after the murder, persons within Holmér's task force prompted a network of trusted journalists to slander and defame the ELP as "implicated" in the murder of Palme. And like the **KGB** disinformation campaign against the ELP and Lyndon H. LaRouche, Jr., this continuous attempt by Holmér's group to implicate the ELP cannot

be explained in terms of professional incompetence or a politically-biased investigation per se, but only in terms of a deliberate cover-up for the real murderers of Palme.

The ELP, its leadership, candidates, and members have been known to Holmér and the police for years, given the high-profile political campaigns of the party in Sweden. Immediately after the arrest of **Gunnarsson**, the initial suspect, and the concoction of a "connection" to the ELP, task force spokesmen assured ELP representatives that the investigation was "not related to the ELP," and that there was no need for the ELP to cooperate in the police investigation in order to clarify the issue.

A turning point for the KGB disinformation campaign came on March 19. That day, news began to circulate internationally that two LaRouche Democrats had won the Democratic Party primary election in the state of Illinois, for the important positions of Secretary of State and Lieutenant Governor. On that same day, Gunnarsson was released, as the circumstantial evidence put together by Holmér did not even suffice to keep Gunnarsson in custody.

While the massive media campaign against the ELP and LaRouche by and large receded after March 19, the overall operation was continued by the Soviets, through isolated media outlets, and Holmér's task force. In fact, the task force's harassment of the ELP did not abate, as one would have expected, but accelerated.

On March 19, the task force seized all the 1,800 membership registration forms deposited by the ELP at the National Tax Authority's Electoral Office, forms which were filed for the ELP's registration as a national party before the September 1985 election. Again, the news about the seizure of the membership forms was leaked to the press, in support of the fraudulent theses that the ELP was "still under suspicion," or even the variation that the police investigation "now begin to penetrate deeper into the examination of the ELP."

From then until the month of August, task force officers began to question ELP leaders, members, candidates and political and financial supporters, as well as former members and business clients. As this informal type of questioning went on, it became clearer and clearer, that it had nothing to do with looking for the murderers of Palme, but was simply political harassment. Holmér was exploiting the opportunity of his emergency powers in the attempt to destroy a political opponent.

When ELP spokesman Michael Ericson requested a meeting with the police leadership, in order to protest this illegal police behaviour, and to offer at the same time the ELP's full cooperation to clarify any real issue, the behaviour of the task force representatives began to resemble that of their colleagues in communist countries. In response to Ericson's remarks, and the request for security cooperation by the police, in view of the numerous threats the party was receiving at that time, Ericson was asked for his alibi on the night of Feb. 28, under the pretext that the police had "received anonymous hints" indicating that Ericson himself could be the murderer.

Days later, when another ELP member was questioned, allegedly to "check Ericson's alibi," that issue was not raised at all by the two interrogators. Concerning the security of the ELP office and members, high-level representatives of the task force told Ericson shamelessly, "Do you think, that if we did not succeed in protecting our prime minister, we are going to protect you?!"

In a private conversation, made available to *EIR*, with the foremost "ELP watcher" in Sweden, **Hans Lindquist** [See *previous section.*], Lindquist stated that he had talked to various leaders in the task force, and that Holmér was not particularly interested in Gunnarsson, but only in Gunnarsson's relation to the ELP. In another private conversation, the spokesman of the police task force, **Leif Hallberg**, referred journalists to Lindquist as a "very reliable" source on the ELP: "Yes, very reliable ... my personal opinion is that he is very reliable. He is a specialist on neo-Nazis(!)"

While the police fishing expedition and slanders against ELP members and contacts continued, new political operations were launched against the ELP and its clients. Russian-connected interests blackmailed the printer of *Ny Solidaritet*, the Swedish weekly associated with the ELP, which led to the termination of the printing contract. Pressure was exercised on the house owner of the ELP's office, and financial pressure and extortion tactics were applied against party contributors.

Inquisition-like levels were reached on May 23, when a classical concert with two renowned French musicians, organized for May 27 by the Academy of Humanist Studies, was cancelled by the **Royal Armoury** of the Stockholm Royal Palace, in which the concert was to take place. The Royal Armoury had been ordered by the Security Police that "the concert must not take place, because the Academy is politically connected to the ELP."

Who is Hans Holmér?

A jurist by profession, Holmér's assignment by the Social Democratic Mafia apparatus has been to restructure and exert centralized control of the security and police forces in Sweden. He was the head of **SÄPO** in 1970-76, during which period Swedish secret services were shattered by a "reorganization," which became known as the "IB Affair." A scandal erupted when it was revealed that a secret intelligence service had been created, in parallel to the official intelligence services, called the "**Information Bureau**."

The ensuing, across-the-board transformation of this secret apparatus — ironically nicknamed **SAPO**, from the names of **SÄPO** and the **Social Democratic Party (SAP)** — epitomized the political reorganization that swept the Swedish secret services as a whole, purging circles regarded too "right-wing," "pro-Western," or "anti-Soviet" [See also *Chapter II, Section 3.*].

Holmér's role as **SÄPO** head was to streamline the secret services under top-down political control. In parallel to Holmér's efforts, **Pierre Schori** — whose career was outlined in the previous chapter — emerged into prominence within the **SAPO**.

In 1976, Holmér was removed from **SÄPO**, to become the Chief of Police of Stockholm. Repeatedly, Holmér devoted his time to studying the drug problem, authoring a booklet published in 1981 by the Social Democratic publishing house **Tiden**. In the booklet, Holmér wrote, "Nowhere is there any evidence of any mystical managers hiding in the bush or any unknown (sic!) mafia leaders."

In 1982-83, Holmér presided over a government-appointed narcotics commission, whose primary accomplishment was watering down previous proposals issued but not yet implemented. More recently, Holmér dismantled the famous narcotics police in the Stockholm suburb of Huddinge — which the media termed the "most successful narcotics investigators in Northern Europe." After breaking up a succession of notorious drug bands in 1977-81, culminating in the dismantling of **George Makhlouf's ASALA "Shoemaker ring,"** the Huddinge narcotics investigators were reassigned to Holmér's Stockholm Police Department, where their efforts were dispersed and ran up against a wall of bureaucracy and inefficiency.

In two earlier cases, Holmér had manifested strong hostility directly toward the ELP and its ideas.

The first case, in 1981, was when Holmér personally intervened to sabotage a visit to Stockholm by LaRouche, by denying him any security protection. Information available to Western European intelligence services — and, if he so wished, to Holmér — proved that LaRouche was on the hit list of the **RAF** terror band and other terrorists. LaRouche had also become a target of increasing public attacks by the Soviets. Despite this, and contrary to the stated evaluation of sources at the **SÄPO**, Holmér said, that he did not consider LaRouche's life endangered.

LaRouche had been invited to address business conferences in Stockholm and Gothenburg, but could only attend the latter one, where security cooperation was offered by Gothenburg police.

The second case involved a scandal exposed by the ELP regarding Holmér's friend, **Police Chief Sven Hugo Smedjegården** at the **Arlanda International Airport** outside Stockholm. On May 9, 1984, Smedjegården arbitrarily banned the sales of *Executive Intelligence Review* magazine at the airport. According to Swedish law, the airport area is a "public place," and anybody has the right to sell a publication. With the support of his party friend Holmér, Smedjegården circumvented the law, claiming, that *EIR* distributors at the airport were creating obstacles for traffic in the area. Afterwards, this Social Democratic mafia succeeded in changing the "public place" status of the Arlanda Airport!

This political move by Smedjegården, supported by Holmér, did not restrict itself to preventing the sales of *EIR*. It also had broader security implications. In case of war or emergency, the administration of the Arlanda Airport would fall under the jurisdiction of the police chief, i.e., Smedjegården. According to competent military evaluations, Arlanda Airport is considered a prime target in the Soviet war plan for Europe.

Smedjegården was appointed to his position in 1976, assisted since 1977 by his deputy, **Stig Bergling**. The latter since 1979 serves a life-long sentence in a Swedish maximum security prison for espionage on behalf of the Soviet military intelligence service, **GRU**.

In the same period, the Stockholm criminal police were investigating a smuggling ring centered around the **Scandinavian Airlines System (SAS) Catering Service** at Arlanda. The smuggling ring was blown and 20 employees of SAS Catering arrested. When **Criminal Inspector Göran Holmberg**, in charge of investigating the ring, issued an official complaint about Arlanda's lax security measures, the airport administration pressed a counter-complaint against Holmberg with **National Police Chief Holger Romander**. Instead of investigating those responsible for the lax security, particularly Smedjegården, Romander began a "corruption investigation," denying Holmberg access to Arlanda.

Furthermore, *EIR* discovered that Smedjegården had received "favors" in the form of all-expenses-paid tours to East Bloc country airports, disguised as "study trips" to evaluate their "security measures." The **Customs Service** had also been invited to participate in such trips, but — in contrast to Smedjegården — had persistently refused. In the same period, *EIR* was informed by police officers, who were upset over the behaviour of Romander, Holmér and Smedjegården, that at the time the latter had a relationship with one **Anita Berg**, a Russian hostess working at the Arlanda office of the Russian airline **Aeroflot**.

Such blatant, Mafia-style political interference in police investigations has surfaced, even more dramatically, in the investigation of the Palme murder. As documented in this *Special Report* [See Chapter II, Section I.], Holmér's totalitarian-state practices led to the resignation, on May 16, of **Chief Prosecutor K.G. Svensson**, who was in charge of the investigation of the initial suspect, **Gunnarsson**.

The Social Democratic government and party Mafia illegally interfered with the investigation, backing up Holmér against Svensson. Holmér's methods in trying to incriminate Gunnarsson and the ELP, as shown by the documentation made public by Svensson, were practices more familiar to the Soviet system than to any Western country. On May 11, the vice chairman of the parliament's Constitutional Committee, **Anders Björck**, had announced that **Justice Minister Sten Wickbom** would be questioned by the committee regarding the government's interference with the murder investigation.

While the government used Soviet methods to back up the practices of Holmér, a related scandal emerged on April 30 concerning the expulsion of five Czech spies from Sweden. According to Western intelligence sources, the bust of the Czech spy ring was a joint operation by Western and Swedish counterespionage officers in order to counter the Soviet KGB disinformation campaign around the Palme investigation.

Swedish papers were leaked the information that the Czech spy ring had been collecting information for the Soviets — which was obvious for two



National Police Chief Holger Romander backed Arlanda Airport Police Chief Smedjegården, under attack for lax security. Then he denounced the SÄPO for "leaking" about Czech spies who worked for the KGB in Sweden.

reasons: first, the traditional hierarchical dependence of Czech intelligence on the Russian KGB; and, second, the ironical fact that the Czech spies were primarily concerned with naval secrets — of little direct concern for land-locked Czechoslovakia!

In spite of this, Social Democratic police and government spokesmen, like **Romander**, **Foreign Minister Sten Andersson** and **Undersecretary Schori** denied that the Czech spies were working for a “third power,” i.e., the KGB. Both Andersson and Romander denounced the SÄPO for the press leaks.

Similar to an East Bloc satellite country, high-level government officials not only disregarded the truth in order not to offend the Soviet government, but had lost a minimal sense of irony. While no-one protested the police leaks aimed at destroying a registered national party during the Palme murder investigation, immediate protests were made to save the KGB from exposure of its involvement in espionage activity against Sweden.

One cannot but wonder at Swedish political life, when Schori — as documented in the previous section — demands a police raid on the ELP's offices, in collaboration with Russian officials and with **Henry Kissinger**, and in the same breath protests SÄPO leaks on the Czech-KGB spy ring.

In the beginning of September, infighting among Sweden's police and security forces grew more intense. SÄPO let it be known — as reported by Swedish press, the French news agency *AFP*, the German daily *Die Welt*, the Italian *Corriere della Sera*, and others — that they are still investigating “the possible motives of several individual policemen to take part in a plot against Palme.” Interestingly, the investigation was initiated within SÄPO by the head of its counterespionage division, **Per-Göran Näss**, who led the investigation which put **Smedjegården's** deputy, GRU spy **Bergling** behind bars.

One question of dramatic portent is, why did the anti-terror division of SÄPO not raise this issue, but rather the counterespionage division?

Why was Palme unprotected?

Olof Palme was shot in the back in the evening of Feb. 28, 1986, by a killer who could run away unscathed in central Stockholm. Palme had no bodyguards, ostensibly because he had sent them away, as he wanted to enjoy his privacy this evening. Since 1982, such laxity regarding vital security matters has been out of question even in Sweden concerning, e.g., the **Commander-in-Chief of Sweden's Armed Forces, General Lennart Ljung**.

In 1982, the Swedish **Security Police (SÄPO)** met with the **Defense Staff's Security Service (FST-Säk)** to reassess the growing danger to the lives of prominent Swedish figures. The threats evaluated by the two security services, according to the Swedish press, included everything from the mysterious Polish art salesmen, who were mapping the housing areas and habits of Swedish Air Force pilots, to the most recent and refined foreign intelligence activity conducted against Swedish targets.

The evidence for consideration included so-called “hit lists” of leading politicians and military officers to be executed under conditions of aggravated crisis. One year later, more knowledge had accumulated about the Soviet diversionary units, “Spetsnaz,” and the Commander-in-Chief initiated a special investigation into the threat against Sweden. The submarine incursions formed part of the picture.

One result of these deliberations was that Sweden's Commander-in-Chief — who in the late 1970s still took the subway to the Defense Staff's central Stockholm headquarters — does no longer stroll alone along the streets of Stockholm. Why was the prime minister still permitted to do so?

Boris Pankin, To Ethnos, and Control Data

The Soviet penetration of Greece in the 1970s is an exemplary case of the KGB's disinformation operations, coordinated, in this case, by **KGB Colonel Vassily Sitnikov**. Since 1973, Sitnikov's cover was that of deputy director of the **Soviet Copyright Agency (VAAP)**, whose 1973-82 director was current ambassador to Sweden, **Boris Pankin**. In reality, both Pankin and Sitnikov were leading officers in the **KGB Disinformation Department**.

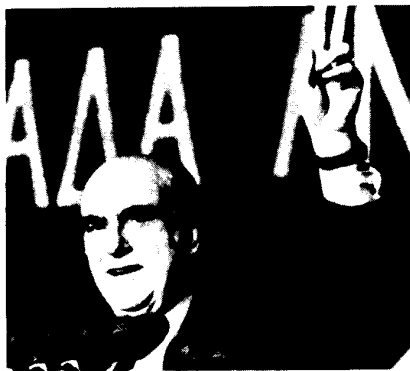
Between April 1975 and October 1977, Sitnikov, on behalf of Pankin, attempted to establish an ambitious publishing partnership with Greek publishing tycoon, **Christos Lambrakis**. The effort ended in failure for reasons unknown. After this, Sitnikov moved to transform an obscure, minor Greek businessman, **Georgios Bobolas**, into Greece's most influential newspaper publisher.

In June 1978, Bobolas and an associate of his, **Yannis Yannikos**, arrived in Moscow on the invitation of Sitnikov, and agreed to launch a daily newspaper in Greece with Soviet financial backing. **Alexander Philipopoulos**, a Greek-American journalist, was the personal choice of **Andreas Papandreou** for becoming the chief editor of the new paper, named *To Ethnos* (*The Nation*). That paper was then to ensure the election of Papandreou as Greek prime minister in October 1981.

Reporting on this Moscow meeting, the German daily *Die Welt* wrote on May 2, 1984:

"In 1978, both (Yannikos and Bobolas) travelled to Moscow, and acquired the rights to print the Soviet Encyclopedia in Greece... In these first talks, which were led on the Soviet side by **Boris Pankin**, then head of the KGB Disinformation Department, and currently Soviet ambassador to Stockholm, **Konstantin Chernenko**, the current Soviet party chief, also took part."

Pankin appears to have visited Greece only once, in March 1980, when both the publishing and other business projects were completed. He was received by and spent most of his time with Soviet military intelligence **Colonel Yevgenii Chistiakov**, who, a few months later, was caught leading an espionage ring at the Greek naval base at Salamis and expelled. During 1980, Chistiakov was the immediate superior of one **Sergei Bokham**, and was responsible for Bokham's intelligence network at the Royal Air Force base at Akrotiri on Cyprus. Bokham apparently defected to the West in March 1985.



Andreas Papandreou, now Greek Premier, was brought to power in 1981 with the aid of *To Ethnos*, a KGB disinformation paper.

The story of To Ethnos

To Ethnos was first published in June 1981 and quickly became the most widely read daily in Greece, its daily paid circulation surpassing the combined sales of all twelve other competing Greek dailies. The first tabloid in Greece, *To Ethnos* was filled with color photographs, sports, fashion, comic strips, women's and children's pages, scandals, sex, and movie-star gossip.

In September 1981, after having cornered the market, *To Ethnos* began introducing themes like "peace" and "disarmament," in a manner tailored to its primarily middle-class readership. By the middle of 1982, the editorial policy of *To Ethnos* evolved into a most virulent form of anti-Americanism. Later, it limited its somewhat sparse political coverage mainly to reprints from *TASS* and *Novosti*, the two official Soviet news agencies. *To Ethnos* remains today the unchallenged arbiter of Papandreou-era Greek journalism.

A brief look at some of the editorial staff of *To Ethnos* suffices to characterize this Soviet operation. Some of the political and intelligence connections visible here are typical of the Soviet KGB disinformation operations against the ELP and *EIR* founder Lyndon H. LaRouche, Jr.:

- **Carl Aldo Marzani**, U.S. correspondent for *To Ethnos*. Marzani is currently a member of **Michael Harrington's Democratic Socialists of America**, a nest of Socialist International operations against LaRouche in the U.S. and, for a short period during the 1930s, a member of the **Communist Party of the USA (CPUSA)**. He is a veteran of the Spanish Civil War, having served in the Abraham Lincoln Brigade. During World War II, he joined the **Office of Strategic Services (OSS)**, the wartime predecessor of the CIA, with contacts to **Richard Helms** and **Walt Rostow**. Later on, this connection to the Eastern Establishment brought him to the **State Department**. Later, Marzani spent three years in jail for lying about his membership in the CPUSA.

- **Stanley Harrison**, British correspondent for *To Ethnos*. Until 1981, Harrison was the chief assistant-editor of London's *Morning Star*, the daily of the **British Communist Party**.

- **Akis Fantis**, editor of *Haravoi*, the daily of the **Cypriot Communist Party (AKEL)**. His father Andreas is the alternate secretary general of AKEL.

- **Dino Tsakotellis**, worked from 1947 to 1949 for *Telepress*, a communist news agency in Czechoslovakia.

- **Vassos Nikolau**, whose real name is **Vassos Georgiou**, a Greek Stalinist admirer of the Albanian communist regime. He also writes for *Rizopastis*, the **Greek Communist Party (KKE)** publication.

- **Maria Beikou**, works as the chief assistant to the publisher of *To Ethnos*. She was hired at the insistence of KKE leader **Harilos Florakis**. After fleeing Greece at the end of the civil war, she went to work for *Radio Moscow*.

How the KGB pays...

Boris Pankin financed *To Ethnos* by means of a series of loans from a dummy corporation in Luxemburg called **Gesellschaft für die Förderung des Presse- und Verlagswesens (GFPV)**. The GFPV was founded in 1977, with an initial capital of 100,000 Luxemburg Francs, consisting of 10 shares of 10,000 Francs each, with 5 shares belonging to the Switzerland-based **Orvag AG** and 5 shares to the Sweden-based **Svenska Västfisk AB**.

In 1983, the GFPV had no employees, nor any listed bank account — it was a pure post office box operation. The Orvag AG, located in Baar, Switzerland (Zug Canton), owns 90 percent of the Svenska Västfisk AB, located in Gothenburg. Svenska Västfisk owns the West Berlin property which houses the printing plant of the communist **Socialist Unity Party of West Berlin (SEW)**. According to an article in *Die Welt* of Feb. 11, 1984, Svenska Västfisk AB turned up in a 1982 Soviet espionage case in Sweden.

According to *Die Welt*, the capital of Svenska Västfisk AB is in the hands of three board members: **Hans Gunnar Heyman**, **Allan Kullberg**, and **Friedrich Karl Kaul**. Heyman and Kullberg are members of the two communist parties in Sweden — **APK** and **VPK**, respectively — and Kaul was a top East German operative who died in 1981. As *Die Welt* accurately noted: "A dead shareholder can not possess share capital. That is not the only curious thing involved?" Furthermore, Orvag AG and Svenska Västfisk AB each have a 50 percent share in the GFPV, again a pure bookkeeping operation, given that Orvag controls 90 percent of Svenska Västfisk.

Die Welt also stated that, as early as 1982, reports were circulating that the key figure behind the Luxemburg GFPV firm was none other than **Karl Raab**, a veteran and high-level operative of the old **Communist Party of Germany (KPD)** — later the East German **Socialist Unity Party (SED)**. In the 1920s, Raab worked for the **Dresdner Bank** and, in 1927, joined the KPD. While working at the bank, he published the KPD's local office paper, *Rote Bilanz* (*Red Balance*).

After the war, Raab went to Berlin as a core member of the so-called "Ulbricht group," associated with the post-war communist dictator of East Germany, **Walter Ulbricht**. Raab became the SED's treasurer and, from 1950, he was in charge of the SED Central Committee Finance Department. He officially retired in 1977 but, as *Die Welt* noted, "after his retirement, his contacts in the West in no way diminished." One of Raab's key Western contacts, in Switzerland, was the "foxy businessman," former **Major Albert Rees**, the head of the **Orvag AG**, who in 1983 was listed in connection with 26 corporations.

The East Berlin-based **Kaul**, a key East German intelligence operative, was a close associate of current dictator **Erich Honecker**, and has been in charge of negotiations with Western powers in spy-swapping deals. Kaul has also been involved in disinformation activities through his work in the film industry, a position that put him in close contact with the brother of East Germany's intelligence czar, **Markus Wolff**.

A legal apprentice to Kaul was the terrorist **RAF** lawyer, **Hans Christian Ströbele**, until recently a member of the West German Parliament for the **Green Party**. In 1982, because of his involvement with terrorism, Ströbele was sentenced to 10 months of jail on probation by a West German court. The kind of "legal" training Ströbele received from Kaul was highlighted in a declaration he made on Sept. 3, 1985. Commenting on the treachery of top West German counterintelligence official, **Hans-Joachim Tiedge**, who defected to the DDR, Ströbele told the pro-terrorist Berlin daily, *Tageszeitung*:

"First of all, for the Greens a spy is a human being, who helps to bring out or to shed light on state secrets. Given the fact that we [the Greens] are fundamentally against a state having secrets, we have a certain sympathy for spies." Ströbele was one of the founders of *Tageszeitung*. Both he and the paper have been involved in operations against LaRouche in West Germany.

The Luxemburg-based GFPV owns or controls the following companies:

1. **Coopérative Ouvrière de Presse et d'Editions**.
2. **Jean Molitor et Cie., Société Fiduciaire de Révision et d'Enterprises**.
3. **Harney and Jones, Ltd.** in London.
4. **Impredit — Paese Sera**, the communist daily in Rome.
5. **Bobtrade Ltd.** in Athens and London.
6. **Control Data Worldtech, Inc.** in Delaware, USA, jointly with **Control Data Corporation**.

Computer technology

The Soviet and East German controlled dummy companies, **Orvag AG** and the **GFPV**, together with the U.S. company, **Control Data Corporation (CDC)** of Minneapolis, Minnesota, have controlling shares in **Control Data Worldtech**. This Soviet intelligence connection to Western companies reveals not only a startling capability for technology espionage (so-called "technology transfer"), but also very significant political connections.

CDC of Minneapolis first became interested in the U.S.S.R. as a potential market in the latter half of 1966. The firm's first contacts with the Soviet Union were in 1967. CDC installed its first computer in the Soviet Union at the **Joint Institute of Nuclear Research**, Dubna, in 1968. This was a 1604A computer system, which several additions were later made to.

Control Data entered an initial "framework" agreement in October 1973, and signed a Protocol Cooperation Agreement in February 1974. The Cooperation Agreement was signed by Control Data and the **State Committee for Science and Technology** of the U.S.S.R. Council of Ministers. This State Committee has been a direct liaison office for both the **KGB Disinformation Department**, and for Soviet military intelligence **GRU**. It has been headed for many years by **Dzhermen Gvishiani**, the son-in-law of former Soviet prime minister and Politburo member, **Aleksei Kosygin**.

According to Western intelligence sources, Gvishiani is a high GRU officer, whose assignment includes re-establishing the old "Trust" connection with oligarchical financial and political interests in the West [See *Chapter III, Section 2.*]. Gvishiani, in coordination with **Aurelio Peccei** and **Alex-**

ander King's Club of Rome and the British Labour Party's **Lord Solly Zuckerman**, has been key in establishing the Soviet espionage and "Trust" center in Vienna known as the **International Institute for Applied Systems Analysis (IIASA)**. **President Ronald Reagan** broke off U.S. collaboration with the IIASA institute in 1982, after discovering its role in Soviet espionage.

Gvishiani's State Committee for Science and Technology wanted CDC to build four manufacturing plants, a high-speed printer, terminals and a printed-circuit operation. Around the same period, October 1973, the vice president of Control Data, **Hugh Donaghue**, arrived in Moscow and had lunch with **Leonid Brezhnev**. Hugh Donaghue played an active role in June 1983, in the international peace conference in Minneapolis, Minnesota, sponsored by **Georgii Arbatov's U.S.-Canada Institute** and the U.S. pro-terrorist **Institute for Policy Studies (IPS)**.

As the *EIR* has documented, this conference, which tried to launch a West German style ecology and peace movement in the United States, concentrating its attacks on President Reagan's Strategic Defense Initiative (SDI), represented a gathering of Soviet intelligence officers and American Eastern Establishment stooges, attempting to coordinate a campaign against LaRouche.

The final Cooperation Agreement between CDC and the U.S.S.R. **State Committee for Science and Technology** called for an agreement extending for ten years. It proposed the following:

"To conduct joint development of a technically advanced computer; joint development and organization of the production of computer peripheral equipment; joint creation of information processing systems, based on the technical means of Soviet production and on the technical means developed by CDC, and development of software means for these systems; to conduct research in the area of (advanced) software improvement; joint development of Analog to Digital Equipment for control systems of technological processes;

"Joint development of computer components, technical equipment for their production and the organization of production of these components. Development of computer memories (based on large volume removable magnetic disc packs, and on integrated circuitry, and so on). Creation of equipment and systems for data communication. Application of computers in the fields of medicine, education, meteorology, physics, and so on."

In September 1980, it was announced that **CDC Worldtech** would start two computer-related companies in Luleå, Sweden, as a result of an agreement signed with the Swedish ministry of industry in Stockholm. Furthermore, it was announced in 1983 — and this must be considered extraordinary for a firm connected to the Soviet and East German intelligence agencies — that CDC Worldtech had landed an agreement to market the technologies developed at one of the most sensitive U.S. military-related research centers, the **Los Alamos National Laboratories**.

The Armand Hammer connection

Such extraordinary events can only be "explained" in the light of the high-level connections involved. Until two years ago, the executive vice president, and then vice chairman, of the board of the CDC Worldtech was a certain **Robert Schmidt**. An official of the U.S. **National Security Agency (NSA)** from 1953-54, Schmidt was introduced into East-West business by oil tycoon **Armand Hammer**, one of the key figures in the "Trust" since the time of **Lenin**, of whom Hammer was a good friend. As one source told *EIR*, it was Hammer who "opened the door to the Soviet Union" for Schmidt. Schmidt has been involved in the U.S.-U.S.S.R. Trade Council, the **Rockefeller-family** joint project with the Soviet Union otherwise known as the **Dartmouth Conference**, and so forth.

Schmidt has also admitted that the CDC initially worked with **Cyrus Eaton, Sr.**, the leading funder of **Bertrand Russell's Pugwash Conference**.

The Pugwash Conference, as *EIR* has documented in other locations, was part of the Soviet project — authorized by **Nikita Khrushchev** after Stalin's death — to relaunch the old "Trust" intelligence cooperation between Russia and Western oligarchical finance-rentier interests.

Russell's Pugwash Conference, which began in the mid-1950s, provided the Soviets with: (1) scientific espionage capabilities against the West; (2) the possibility of launching various anti-Western disarmament proposals (the "Ban the Bomb" movement created by Russell, etc.); and (3) a general undermining of Western culture by introducing a Malthusian, zero-growth and rock-sex counterculture, leading in the late 1960s to the creation of the **Club of Rome** and, then, to the founding of various "ecological" and "peace" movements.

Worldtech is also affiliated with **Worldtech Ventures, Ltd.**, in which it holds stock. Worldtech Ventures works closely with the British government in seeking technology transfer to areas of high unemployment. **Lord Northcliffe** remains the chairman of Worldtech Ventures, Ltd.

II. The unlikely sequela of a political murder

What really happend: a chronology of events

Feb. 28 — Swedish Prime Minister Olof Palme is shot dead from behind, at close range, at about 11.21 p.m. by a killer who disappears running from the scene of the crime: Sveavägen, a main street in downtown Stockholm, at its intersection with Tunnelgatan, a narrow alley with a stairway. Palme and wife Lisbet were walking home from a visit to the cinema, without bodyguards.

The killer fired two shots, the first killing Palme instantaneously, the second lightly wounding Palme's wife, who turned around upon hearing the first shot.

Five cars were passing by the intersection, one of which a taxi whose driver instantly alarmed the police by radio.

Another witness, standing nearby, pursued the killer up the Tunnelgatan stairway, and then lost track of him.

March 1 — Palme is officially declared dead at the Sabbatsberg Hospital, at 00.06 a.m.

Sweden's national news agency *TT* releases its first wire on the murder at 00.20 a.m.

The government meets for a crisis session during the night, led by **Vice Premier Ingvar Carlsson**, who gives a first press conference at about 05.00 a.m. Later that day Carlsson is nominated Acting Chairman of the Social-Democratic Party.

Several leading persons at Sweden's national radio monopoly are awakened at home by phone calls from relatives abroad, who have learned about the murder via international news media.

Swedish national radio's first broadcast of the murder, at 01.10 a.m., reaches the Defense Staff's officer on duty, and only later, **Commander-in-Chief Lennart Ljung** is reached by the news, upon returning home from a private dinner. He promptly goes to the Defense Staff's Command Center, from there national military alertness is checked, and increased for key staffs and units.

Only at 02.15 a.m., a national police alert is issued, and even Stockholm local police patrols are still hunting drunks and petty criminals hours after the murder, unaware of what is happening. Some police officers, who were to go off duty, volunteer to remain, but are sent home. The exit roads out from Stockholm are not blocked.

At about 02.45 a.m., the phones ring at the homes of four Swedish diplomats in Bonn. Embassy Secretary **Peter Tejler** is told in German by a male voice: "This is the **RAF**. We have murdered your prime minister." One of the diplomats called has been at the embassy for just two weeks, his name and phone number are in no phone books or lists of diplomats.

Another phone call is received in Stockholm, and recorded by an automatic answering machine. A male German voice claims the murder on behalf of the RAF's "**Kommando Christian Klar**." The phone number at

which the call is received is identical to that of the West German Stockholm embassy, but for one single digit.

Sweden's state-owned TV monopoly reports the murder at 04.00 a.m.

King Carl Gustaf is reached only late in the morning, in his weekend cottage 500 kilometers northwest of Stockholm, which had a new phone number unknown to the relevant authorities.

In the morning, Soviet **KGB Chief Viktor Chebrikov** announces Palme's murder from the podium of the ongoing 27th Communist Party Congress in Moscow.

Stockholm **Police Chief Hans Holmér** holds his first press conference, 14 hours after the murder, after having been reached in Borlänge, a small town 200 kilometers northwest of Stockholm.

A passer-by finds a bullet across the street, 40 meters from where the killer fired, reportedly an unusual type of Winchester 357 Magnum metal-piercing bullet, copper-tipped, and able to penetrate a bullet-proof vest.

One persistent query finds no answer: Why wasn't Palme given better protection, despite numerous warnings of an impending terrorist hit?

March 2 — An Indian journalist finds a second bullet, presumed to be the one that killed Palme. Police say such ammunition cannot be bought in Sweden, and is not included among the 500 to 600 bullet-types in the collection of the police. Highway police patrols in the United States are said to be using such ammunition.

Neighbors of Palme testify regarding mysterious men seen outside Palme's house.

Criticism of police failures

March 3 — More criticism emerges of the slow police response immediately after the murder. Journalists report lax border controls, e.g., to Norway. The scene of the murder was inadequately cordoned off, etc.

A Stockholm weapons specialist reveals that the ammunition used was on sale in Sweden in the early 1970s. Others say it can still be bought in several locations.

Vice Premier Carlsson is elected Acting Chairman of the Social-Democratic Party by the Party Executive, to be confirmed by the 1987 Party Congress. Carlsson announces that he expects to pay an early, official visit to Moscow, already planned by Palme.

March 4 — Holmér says the murderer was in all probability a professional killer. He rejects criticism of the police, and says they have now received 4,000 tips from the public and conducted 600 interrogations.

March 5 — **Holmér** reshuffles the leadership group directing the police investigation. His task force now includes 300 men, doubled from the day before.

One witness reports having seen a man following Palme in the subway.

A 60-year-old artist reports to the police, that he saw a man entering a bus at about 11.30 p.m. on Feb. 28, a few blocks away from the scene of the murder. The man was out of breath and carried a small parcel. A few days later, the artist discovers that the man is a policeman, and when he informs Holmér, he is impatiently put off.

March 6 — A "phantom picture" of the killer is published, produced with the help of a female witness. Another picture, already drawn by the female witness, who is a trained portrait painter, is not released by **Holmér**.

March 10 — A 32-year-old man is picked up by police for extensive interrogation, but released again the following morning.

Sweden and the Soviet Union resume negotiations about the demarcation of the fishery and economic exploitation zones in the Baltic Sea, negotiations that were broken off in 1982.

March 12 — The 32-year-old man, named **Gunnarsson**, is arrested in his Stockholm suburban apartment at 8.25 a.m. Twelve hours later, Stockholm **Chief Prosecutor K.G. Svensson**, on the basis of evidence presented to him by police, detains the man as a suspect in the Palme murder. According to Swedish law, a suspect can be held for five days by a prosecutor, after which he must be either released or brought before a judge to face charges.

Ingvar Carlsson is elected new prime minister by the parliament.

March 15 — Palme's funeral becomes the occasion of high-level political meetings in Stockholm. Carlsson meets Soviet Premier **Nikolai Ryzhkov** and U.S. Secretary of State **George Shultz**, among others.

March 17 — **Gunnarsson** is briefly brought before a judge to face charges. The court must rule within four days whether evidence is strong enough to keep him under arrest. A court hearing is scheduled for March 20.

Palme's wife is unable to identify the suspect.

Gunnarsson released

March 19 — At his daily press conference 3.30 p.m., a grim faced **Holmér** announces **Gunnarsson's** release, saying that an important link in the chain of circumstantial evidence had collapsed. The surprise decision had been made shortly before the press conference by **Svensson**, who as prosecutor is in charge of that part of the investigation which concerns Gunnarsson. Finding the police evidence inadequate, Svensson overruled a furious Holmér, whose hostility to Svensson is now growing by the day. Svensson is not allowed into Holmér's "Palme Room," from where the police investigation is directed, and Holmér wants Svensson replaced.

March 22 — Opinion poll shows Social-Democratic popularity peak. More witnesses report having seen Palme followed before the murder.

March 24 — **Holmér** says the police computer now has 7,600 documents, including 5,000 persons, who are either informants or people of interest to the investigation.

March 29 — Air Force reconnaissance *Viggen* jets shoot aerial photographs of central Stockholm, reportedly to find the murder weapon.

April 8 — **Holmér's** wife is attacked and threatened a second time. Two masked men say, "Tell Holmér this is the last warning!"

April 13 — *Dagens Nyheter* runs an article signed by "**Yuri Denisov**," on the eve of Prime Minister **Carlsson's** Moscow visit, provocatively stating, "We are not prepared to spend gold and hard currency to buy obsolete technologies from Sweden," charging that Sweden has joined the U.S. technology embargo against the Soviet Union. This refers to the Swedish government's decision to abide by the **COCOM** rules restricting sensitive Western technology sales to the East Bloc, a decision officially publicized the day Palme was killed.

"Yuri Denisov" was the signature put under an article in the January 1986 issue of the Soviet foreign ministry monthly *International Affairs*, complaining that "troubles in Soviet-Swedish relations also made themselves felt after the Olof Palme government came into office in 1982."

April 14-17 — **Carlsson** visits Moscow. Unusually, the Soviet ambassador to Sweden, **Boris Pankin**, and TASS Director General **Sergei Losev** partake in the talks with Communist Party Secretary General **Mikhail Gorbachov**.

messages of the Soviet Union indicating Sweden is betraying its own neutrality

On the last day of Carlsson's visit, a Soviet naval infantry brigade, simulating a wartime landing in Norway, lands in fjord terrain on the western Kola Peninsula, in what was pre-war Finnish territory, only 12 kilometers from the Soviet-Norwegian border. The amphibious surprise landing is the largest component of wide-ranging Soviet ground, air, and naval exercises staged in the area during Carlsson's Moscow visit.

"No professional killer"

April 18 — **Holmér** says the murderer is likely an experienced shooter, but no professional killer, as the second shot missed. This would indicate he got nervous, given the short distance to Palme's wife. Holmér's statement is widely interpreted to mean that no secret service did it, but rather a lone assassin.

Holmér says the probability that the man on the official wanted poster is the actual killer is only 70 percent.

April 25 — The **Holmér-Svensson** rift reaches a new peak, as Svensson refuses to permit police line-ups demanded by Holmér, in which about 70 witnesses were to face **Gunnarsson**. Svensson insists that most of the line-ups are meaningless.

Justice Minister Sten Wickbom and **Undersecretary Harald Fälth** are informed that Svensson is opposing Holmér. The messenger is **Klas**



Justice Minister Sten Wickbom (above) and his undersecretary were called in to have National Chief Prosecutor Sjöberg overrule Stockholm Chief Prosecutor K.G. Svensson in favor of Holmér.

Bergenstrand, the Justice Ministry representative taking part as an observer in Holmér's leadership group.

April 26 — Undersecretary **Fälth** phones National Chief Prosecutor **Magnus Sjöberg** at home, "informing" him of the rift.

April 27 — **Sjöberg** calls **Fälth** back, after confirming that **Svensson** is not changing his mind.

April 28 — Justice Minister **Wickbom** hosts a meeting in his office, to which three gentlemen are invited: **Holmér**, the government's favorite police official; **Sjöberg**, Wickbom's old colleague during many years as leading jurists in the Social-Democratic regime; and **Svensson**, an outsider with no political status, but with far superior professional expertise concerning large and complicated police investigations. **Svensson** still does not change his mind.

April 28-29 — **Gunnarsson** is interrogated again and takes part in police line-ups with 22 witnesses, none of whom is able to identify him. These line-ups were already approved, though reluctantly, by **Svensson**.

April 30 — **Sjöberg** issues a written order to **Svensson**, in which he is "called upon to have the police line-ups referred to take place as far as possible." Five Czechs are expelled for espionage, after the **Security Police (SÄPO)** provided the government top-secret documentation. The government decides to keep the incident secret.

May 1 — *Helgbladet*, a tabloid published on holidays only, runs banner headline, "The 33-year-old in the Palme Murder Arrested by the KGB!" The article reports that **Gunnarsson** had visited the Soviet Union in the past, where he was arrested by the **KGB** for bible smuggling.

May 2 — **Police spokesman Leif Hallberg** is cited by media as saying that more interrogations and line-ups with witnesses will be conducted next week, as **Gunnarsson** has not yet been cleared of suspicion.

Expressen runs big exposé of the Czech spy affair, including saying that

How Holmér misled the investigation

The following documentation of strong police discontent with Stockholm Police Chief Hans Holmér is excerpted from Expressen of May 9, 1986:

"The investigation into the Palme murder is not run the way a murder investigation ought to be run. Holmér has organized the investigative task force into cells where everything converges upon him and the leadership group," one police source said.

Several of the most seasoned police officials accuse Holmér of directing the work like a dictator, saying that he is paralyzing initiatives because of his manner of leading the work and that he is more of a liability than an asset to the investigation. "With some officials in the **Security Police (SÄPO)**, there is a complete communications breakdown. They think that it is no longer possible to have a reasonable conversation with Holmér," one source said.

One **SÄPO** official stated:

"I cannot cooperate with an amateur. Therefore, there is no longer any reason for me to talk to the police chief." Some of the silent criticism concerns the previously arrested 33-year-old man.

Among the police officers participating in that part of the investigation dealing with the 33-year-old, an increasing number have abandoned their previous view of the man's involvement in the murder and now regard him as a sidetrack in the investigation.

"The more we dig into the case of the 33-year-old, the more our suspicions seem unfounded," one investigator said.

"But Holmér clings to the 33-year-old like a shipwrecked man to a life raft," another police source said.



Foreign Minister Sten Andersson denied KGB involvement in the Czech spy affair, and denounced the Swedish SÄPO for leaking that the Czechs spied on behalf of Moscow.

the Soviets were behind it. **Foreign Ministry Undersecretary Pierre Schori** denies that the five Czech spies had been proven to have worked for "a third power." Both **Foreign Minister Sten Andersson** and **National Police Chief Holger Romander** during the coming days sharply denounce the SÄPO for leaking that the spies worked for the KGB.

May 7 — Press quote **Gunnarsson's** lawyer, **Gunnar Falk**, saying that 35 witnesses have now tried and failed to identify Gunnarsson, who is nearing psychological exhaustion resulting from the intensive interrogations and police line-ups. Gunnarsson is said to be willing to cooperate with the police, but only if it is meaningful.

May 9 — Press cite police spokesman **Hallberg** saying that police have narrowed the investigation to 90 suspects. One suspect is the man formerly detained, **Gunnarsson**, who now risks being arrested again, unless he agrees to further police line-ups next week, Hallberg says.

Sjöberg admits that his decision to overrule **Svensson** came after he was "informed" of the rift by Undersecretary **Fälth**, a blatant case of government interference.

The rift over the police line-ups is merely one aspect of a larger controversy centering on **Holmér**. Strong discontent with the police chief's behavior is brewing among experienced police investigators. [See box.]

Navy divers this week combed the bottom of the waters off docks and bridges in central Stockholm, looking for the murder weapon. Unable to conduct the search earlier because of the weather conditions, all they found were some cars, handbags, and other objects.

Expressen runs new details of how the SÄPO documentation presented to the government singled out the KGB as being behind the Czech spies.

May 10 — *Aftonbladet's* insider column attacks the SÄPO for conspiring to politicize the Czech expulsion, suggesting that "Maybe time has come for a SÄPO-SÄPO, a security police to check the security police? ... Maybe

Ever since March 12, the police have subjected the 33-year-old to an incredibly harsh examination. His outspoken hate of Palme, his being near the scene of the murder when it took place, and a few other troublesome circumstances have been seen as speaking for the man's involvement in the murder.

In the evening of March 12, when Chief Prosecutor **K.G. Svensson** took charge of the investigation regarding the 33-year-old, he detained him for complicity in the Palme murder. Later the prosecutor went to court and pressed charges against him for murder. But one day before the court hearing, Chief Prosecutor K.G. Svensson surprisingly withdrew his charges.

Hans Holmér was furious with the Chief Prosecutor.

"K.G. Svensson is one of Sweden's most experienced prosecutors. But Holmér has refused to accept his view," one source said.

What was it that made K.G. Svensson take the drastic measure of opposing the police leadership and the prevalent notion that the arrested man was the murderer?

"Svensson had simply examined the evidence which Holmér claimed tied the 33-year-old to the crime," one well-informed source said.

Chief Prosecutor K.G. Svensson found the evidence concerning the 33-year-old's involvement to be not only weak, but also containing a fundamental error.

The key police witness, who had identified the 33-year-old during a police line-up, had previously been shown a picture of the suspect by the police. Thus his identification of the suspect was prejudiced.

Chief Prosecutor K.G. Svensson's decision to release the man became the starting signal for a bitter power struggle between the two.

in this context, there is a retirement post for **Holmér**, after he has finally failed to solve the bloodiest SÄPO blunder ever."

Government interference challenged

May 11 — The vice chairman of the parliament's **Constitutional Committee**, **Anders Björck** of the Moderate Party, announces that Justice Minister **Sten Wickbom** will be summoned before the committee to explain himself, concerning the government's interference with the murder investigation.

Björck also announces that both Foreign Minister **Andersson** and Undersecretary **Schori** will be called before the Constitutional Committee to explain their denial of Soviet involvement in the Czech spy affair, and why the government wanted to keep the affair secret: "If the government is worried about its newly-won high-level relations with the Soviet Union, it should not indulge in mystery-making." Justice Minister Wickbom announces that the government will soon form a Commission of Inquiry to investigate the circumstances of the Palme murder, why Palme had no bodyguards, how various authorities reacted to the murder, the manner in which the police investigation was conducted, etc.

Holmér emphatically opposes forming a Commission of Inquiry. He

The prosecutor documents tampering with evidence

On six counts, Stockholm Chief Prosecutor K.G. Svensson systematically shows in his May 16 press release how the evidence put together by Police Chief Holmér against Gunnarsson does not stand up to rigorous examination:

Police evidence No. 1 — The suspect had been seen, on two separate occasions behaving suspiciously, near the scene of the murder.

Svensson shows how the witnesses, a taxi driver and two ladies, had all been shown photographs of Gunnarsson by the police before the police line-ups, thus prejudicing them to identify him. In the case of the taxi driver, the oral police briefing of Svensson, which led him to decide on March 17 to press charges against Gunnarsson, had been "incomplete and misleading, due to serious errors in the work of the police." Contrary to the Court Rules, the police line-up viewed by the foreign-born taxi driver was organized without Svensson's knowledge, and, despite language problems, without employing an interpreter. The taxi driver was also asked leading questions.

After discovering all this on March 19, Svensson withdrew the charges against Gunnarsson, and ordered him released. This interrupted the wave of international slanders trying to implicate the ELP in the Palme murder, based on Gunnarsson's alleged affiliation with the ELP.

Police evidence No. 2 — Literature seized from Gunnarsson showed his hostility against Palme.

Svensson points out that this represents no basis for prosecution.

Police evidence No. 3 — Gunnarsson had made statements about Palme being on the "death list," and that "blood will flow on the streets of Stockholm?"

The police told Svensson that one witness had heard Gunnarsson saying by phone that Palme was on a death list, and that blood would flow on the streets of Stockholm. The transcript of this testimony, once Svensson finally receives it, shows rather that in the phone call Gunnarsson is warning that *the Russians* will kill Palme.

The witness told the police: "Then the 33-year-old spoke of some men who apparently were Russian or communist, who had met someone whose name was AB and who is said to be a preacher. And the preacher had attacked the men, and therefore he was on the death list. And Palme was all too conservative in the eyes of the Russians so they will get rid of him first."

says the police have nothing to hide, but that the commission should be formed later, as it would now disturb the police work.

May 12 — **Gunnarsson** takes part in ten police line-ups, the first round of 28 new line-ups since **Sjöberg's** overruling of **Svensson**.

May 14 — *Svenska Dagbladet*, in an editorial on the tasks of the Commission of Inquiry, admits that the activities of the mass media have played a role not only in determining the public view of the Palme murder, but "probably also in a lot of *what actually happened*." The paper demands that the role of the mass media be examined *not* by the commission, but only by the media themselves.

The police computer now contains 23,272 documents concerning the Palme murder, a tripling of the March 24 figure. The initial 300 investigators have been reduced to 200, with plans to reduce the force to 75.

May 16 — **Svensson**, in a dramatic move, announces the end of the investigation of **Gunnarsson**, saying there is no indication he had anything to do with the crime. **Svensson** also announces that he is resigning from the investigation, and details in a six-page presse release how he was misled by the police into believing there was a case against the suspect. [See box.]



Stockholm Chief Prosecutor K.G. Svensson documented six instances of police tampering with the "evidence" used to tie **Gunnarsson** to the murder.

And there will be a bloodbath. Blood will flow on the streets of Stockholm."

Police evidence No. 4 — Particles from the detonator-cap of a bullet were found on **Gunnarsson's** jacket.

Svensson notes, that of the two particles from a detonator-cap found on the jacket, one is certainly not from the kind of ammunition that is assumed to have been used in the murder, while the other particle possibly could be, but could just as well be from some other ammunition. The jacket is 6 to 7 years old, and has been used by other people. The particles found don't even prove that the suspect has ever fired a gun, much less the gun that killed **Palme**.

Police evidence No. 5 — Police line-ups with **Gunnarsson** and various witnesses.

Police line-ups have been conducted before no less than 55 "witnesses," none of whom has been able to identify **Gunnarsson**. **Palme's** wife **Lisbet** has described the clothes of the killer in a way which doesn't agree with how **Gunnarsson** was dressed. **Svensson** also reveals that yet another witness was shown pictures of **Gunnarsson** before the police line-up.

Police evidence No. 6 — Contradictory statements by **Gunnarsson** during his interrogation.

Gunnarsson has described his own whereabouts the night of the murder, including a café and two cinemas. There is evidence from witnesses supporting his alibi — and it has in no way been proven false. "According to Swedish law," **Svensson** writes sarcastically, "it is not up to a suspect to prove himself innocent by providing a 100 percent alibi, but it is up to the prosecutor to prove the suspect guilty."

In a personal addendum to the release, Svensson wrote:

"Finally, I want to state the following, about the role of the prosecutor in the investigation. The suspect could have been removed much earlier from the murder investigation, if the leadership group [under **Holmér** — edit.] in the **Palme** case, through interference with the preliminary investigation's leadership [under **Svensson** — edit.], actions in various directions and attempts to exert pressure on the prosecutor through various channels, had not disrupted and prevented rational work from the side of the prosecutor. In my view, the suspect has been subject to a grave violation of his rights. It is not up to me to make any further statements here as to the question of responsibility."

Sources in the Office of the Public Prosecutor report that Svensson had learned of Holmér's intention to get him fired, just before he was to clear Gunnarsson of suspicion, which Svensson was going to announce officially during the week of May 20. This prompted Svensson to move preemptively to clear Gunnarsson, denounce Holmér's methods, and resign in protest from the case.

Svensson is replaced as prosecutor in charge of the case by his immediate superior, Stockholm **High Prosecutor Claes Zeime**, who is the head of the Stockholm Office of the Public Prosecutor, and is considered "more reliable" by the government. Asked what makes him so sure he will not have the same "difficulties in cooperating" with Holmér as Svensson did, Zeime tells media: "I have been the head of this office for 7 years. During that time, I have been continuously in touch with Hans Holmér. We know each other well and have so far never had a quarrel." Zeime admits that his taking charge of the case had been decided already on May 12, and announces that Svensson's decision to clear Gunnarsson of suspicion is not unchangeable: "If new circumstances warrant it, nothing prevents me from ordering a new arrest."

May 17 — Gunnar Falk, Gunnarsson's lawyer, calls, in *Dagens Nyheter*, for Holmér to resign. "Additionally, one can ask what responsibility Justice Minister **Sten Wickbom** has — the government has had an observer in the Palme Room," Falk said, adding: "Now it appears completely clear that the police have attempted to 'improve' justice by manipulating testimonies and witnesses." **Justice Chancellor Bengt Hamdahl** — Sweden's highest judicial official, empowered to impeach judges and other high public officials — says he will investigate Svensson's charges.

Aftonbladet says the government is losing confidence in Holmér's leadership: "The investigation doesn't look very competent; one centrally-placed source said. 'Holmér is a bureaucrat who never did normal field work.'"

Expressen writes:

"Several police sources tonight characterized K.G. Svensson's decision to resign from the case as signifying a total collapse of the murder investigation. 'It is the wrong man who is leaving. **Holmér** instead ought to have left the leadership job,' a highly placed police source said.

"As concerns Hans Holmér, there is strong discontent among the police officials participating in the investigation of the Palme murder. Several of the leading murder investigators have from the very start been strongly critical of Holmér's way of interfering with the work. 'His way of interfering with things has done incredible damage to the investigation,' one police source said.

"Several of *Expressen's* sources point to, among other things, the way in which they think that Holmér was personally committed to the view that the 33-year-old was the murderer. 'He refused to accept the view of the investigators that suspicion of the 33-year-old was becoming weaker,' one source said."

May 22 — Prime Minister Carlsson announces the formation of a **Commission of Inquiry**, composed of three top-level jurists, all of whom have made their career in the government. The justice minister is to appoint a group of experts and secretaries to assist the commission. Only much later, a parliamentary group will be added, primarily to issue recommendations for the future. The opposition charges that the government is trying to hide something, by keeping the parliamentary representatives out.

Holmér's task force is now reduced to 145 men.

A press law trial opens, in which the government is accusing *Svenska Dagbladet* of divulging state secrets, for publishing two articles in the summer of 1985 detailing Soviet **Spetsnaz** preparations against Sweden. The real aim of the trial, which ends with acquittal, is to go after the sources of the paper within military intelligence.

Spetsnaz threatens Sweden

May 23 — U.S. columnist Jack Anderson, in an article appearing in several American newspapers, cites a secret **Pentagon** report warning of Soviet **Spetsnaz** plans to kidnap the Swedish king, in a pre-war situation, to

thwart any ideas Swedish leaders may get of aligning Sweden with **NATO**. The May issue of the U.S. *Conservative Digest* magazine, in an article on Soviet Spetsnaz activity, notes that "heavy speculation has also arisen about Spetsnaz involvement in the recent murder of Swedish Prime Minister Olof Palme." A May 27 classical music concert sponsored by the **Academy of Humanist Studies**, a non-partisan cultural association, is unilaterally cancelled by the manager of the concert hall, the **Royal Armoury** in the Stockholm **Royal Palace**. The Royal Armoury manager tells an Academy representative that the Armoury had been ordered to cancel the concert in a phone call from the **SÄPO**, saying "the concert must not take place, because the Academy is politically connected to the **ELP**."

May 25 — *Svenska Dagbladet* runs a report based on foreign ministry sources reflecting the results of **Carlsson's** Moscow visit, listing three points of Soviet complaints: (1) the defense budget is too big, (2) the new restrictions on high-technology sales are unacceptable, and (3) certain "circles," which influence other "responsible circles," and which are anti-Soviet and are attempting to bring Sweden closer to **NATO**, must be stopped.

May 28 — The police computer now includes 9,062 interrogations, 24,340 tips, 14,557 persons, and 2,484 weapons, after three months of investigation.

The 60-year-old artist who saw a suspicious policeman on Feb. 28 delivers a 28-page documentation of his observations to the Commission of Inquiry. The artist is convinced that the policeman is being protected by his colleagues.

May 31 — *Expressen* reports divers have found tracks of mini-submarines near the summer residence of the king. Despite official denials, Navy divers were seen searching the coastal sea bed near the residence.

June 1 — Sweden's Armed Forces announce the formation of special **anti-Spetsnaz** units, within the Army, the Navy, and the Air Force, with training to commence on June 9.

June 6 — Swedish warships open fire on an intruding submarine in the archipelago northeast of Stockholm, in the first actual submarine hunt since 1984.

June 8 — *The Observer* of London runs an article saying that, according to a senior Swedish government source, the Chilean regime may be behind the Palme murder.

A burglary is committed in the house of Sweden's ambassador in Paris, **Carl Lidbom**, who claims to have been drugged while asleep. The thief searched the apartment, ignored many valuable objects, but stole the ambassador's pants with FF 800 in the pockets. "This sudden visit has nothing to do with Olof Palme's death, although it is of course the privileged hypothesis of the inquirers. Carl Lidbom was very close to the Swedish prime minister," the French daily *Le Matin* comments in a remarkably long article.

Navy **Commander Hans von Hofsten**, known as the spokesman of the Swedish officers' revolt, connects the Palme murder with the submarine incursions, in a *Dagens Nyheter* article. Polemicizing against the idea that the security political sky is clear, Hofsten lists the Palme murder as part of a series of Soviet pre-war operations:

"Is it clear, when foreign naval forces operate year after year in Swedish territory? ... Is it clear, when the super power on the opposite shore retools its fighter formations to fighter bomber formations? ... Is it clear, when the prime minister is assassinated?"

June 9 — "The situation of the submarine hunt can be compared to the hunt for Palme's murderer," *Svenska Dagbladet* editorializes. "The unreserved, operative goal of the police is to catch the murderer and have him convicted. The unreserved, operative goal of the Swedish military is to catch red-handed those who are preparing a military assault on Sweden."

June 13 — After a two-day meeting of the Social-Democratic Party Executive, Prime Minister **Carlsson** admits he is "disappointed" that the police have not found the killer.



Navy Commander Hans von Hofsten, spokesman of the Swedish officers' revolt, listed the Palme murder as one event in a series of Soviet pre-war deployments.

Hunting submarines and killers

Carlsson's trip to Peru for the Socialist International meeting next week is cancelled, because of the continuing death threats against members of the Swedish government.

June 17 — Two armed men are discovered on a wooded hillside about 100 meters away from the estate of Swedish financier **Bo Axson Johnson**, in whose garden U.S. Ambassador **Gregory J. Newell** and some 20 other guests were just being served drinks. The two men quickly fled as they were fired at by one of Newell's bodyguards from the Stockholm police, who discovered them as they were pointing their guns at him from a distance of about 30 meters.

June 23 — "We will arrest a suspected murderer any time now," says police spokesman **Hallberg** in *Aftonbladet*.

July 1 — The Commission of Inquiry has its first meeting.

July 3 — The public learns that all documents pertaining to an unresolved tax affair of Palme were erased from the tax authorities' computer, the same evening that Palme was killed. The tax affair involved Palme's fee for a lecture given at the **Harvard University**.

July 6 — **Holmér** in a radio broadcast denounces Prime Minister **Carlsson's** June 13 "criticism" of the investigation.

July 17 — **Andrei Aleksandrov**, an advisor of the Soviet foreign ministry, discreetly visits Prime Minister **Carlsson's** summer island, as a special emissary from **Gorbachov**. The evidence against four Poles, who illegally entered Sweden's most secret naval base at **Muskö**, is found insufficient, and the prosecutor withdraws the charges of espionage he had announced the same morning.

A special Soviet intelligence team pays a July visit to their Stockholm embassy, reportedly to call embassy staff to account for several irritating scandals erupting lately, ranging from drunken diplomatic drivers and Russian call-girl rings to fake marriages, ikon smuggling, and outright espionage.

Another Soviet threat

July 24 — In a *Ny Teknik* interview, the deputy chief of the Western Trade Department of the Soviet Ministry of Foreign Trade, **Piskolov Y. Vasilyevich**, threatens Sweden for its decision to adhere to **COCOM** rules concerning sensitive Western technologies:

"We are against laws such as the one adopted by Sweden. Their adoption shows how forcefully the U.S. is acting to implement its policy.

"We do not want to act more forcefully against Sweden, as there are so many troubled corners in our world already."

Aug. 18 — The Commission of Inquiry meets. Hundreds of persons will be interrogated by the commission during the fall.

Expressen, in a column by **Ulf Nilson**, calls for **Holmér** to resign. Titled "Too Much Double-Talk, Holmér," the column asserts that although Swedes are notorious for their "belief in authority," a "creeping crisis of confidence" is now emerging over Holmér's incompetence:

"If no concrete results are reported very soon, I believe that almost everybody agrees that one would have much greater confidence in the police if the leadership of the investigation were put in other hands."

Aug. 21 — Commission Chairman **Per-Erik Nilsson**, in an interview for *Dagens Nyheter*, criticizes the slow response to the Palme murder by Swedish authorities, which assumed the murder was a single event, whereas it could have been part of an enemy attack on Sweden. "A great uncertainty must have prevailed during the first hours. Nobody knew whether it was the work of a madman, or a **Spetsnaz** attack, or a well-organized terror action against several members of the Swedish government," Nilsson said.

Aug. 28 — *Expressen* cites police warnings of more political assassinations, and quotes one police source saying, "I do not want to call it a blood-bath, but there are likely several targetted victims." "Sweden faces an immediate and severe crisis," *Aftonbladet* writes the same day. "The highest police authorities expect an early murder attempt on a leading Social-Democratic politician, a policeman or somebody in the **Royal House**. The situation is so serious that National Police Chief **Holger Romander**, who

himself has received death threats, now openly admits to this paper: 'There is a grave risk of more attempts.'

Aug. 30 — *Expressen* reports of a rift between **Holmér** and the **SÄPO**, and writes that "several SÄPO sources assert that Holmér has chosen the wrong track in the investigation. The whole thing threatens to end up in a legal scandal."

Did the KGB kill Palme?

Aug. 31 — *Sunday Express* of London runs a banner headline asking "Did the KGB Murder Olof Palme?" The paper reports: "Police say they are investigating the possibility of the killer being a KGB heavy sent to end Palme's interference" with "Moscow's multi-million pound diamond deals with the West." These diamonds are mined by Siberian slave laborers and "shipped to the West with the Swedish government acting as the 'middleman' in the deals. Palme was said to be unhappy with the arrangements and Moscow is known to have been angry at his interference." Other possibilities mentioned are that Palme, "who was often rumoured to enjoy the company of women other than his wife," was struck by a lover's revenge, or gunned down by a South American hit-man sent by Chilean dictator **Augusto Pinochet**, who "was said to have held a deep grudge against the Swedish premier." "Police are reluctant to reveal which line of enquiry is proving most positive. But intelligence sources say that Sweden has long been the playground of the KGB, and to Russia the diamond trade represents a massive flow of hard currency," the paper writes.

Sept. 6 — *Expressen* cites EIR Editor-in-Chief **Criton Zoakos** saying that **Holmér** knows the KGB killed Palme, but tries to cover it up.

Sept. 7 — *Aftonbladet* cites sources in the West German **Federal Criminal Police** saying Holmér's investigation has run up against the wall, and is now indulging in "occupational therapy." *Dagens Nyheter* writes that "six months after the murder of Olof Palme, a group within the **SÄPO** division for counterespionage is investigating the possible motives of several individual policemen to take part in a plot against Palme. The investigation has been conducted quietly and leading representatives of the police investigation have not even known about its existence." The paper says the group was formed in an early phase of the investigation, under the leadership of SÄPO's counterespionage chief, **Per-Göran Näss**, and that it is still active, contrary to previous statements by leaders of the police investigation.

The disinformation campaign: how it unfolded



Olof Palme, left without any protection, was shot in the back by a gunman who escaped running from the scene of the murder, in downtown Stockholm.

Target: the ELP

Feb. 28 — Swedish Prime Minister Olof Palme is gunned down in downtown Stockholm, at about 11.21 p.m., unprotected by his bodyguards, who had been sent home.

March 1 — Soviet Central Committee member **Georgii Arbatov**, co-founder of the **Palme Commission** and head of Moscow's **USA-Canada Institute**, tells Swedish correspondents in Moscow: "I do not know who killed Palme, but I know all too well who hated him. ... I saw demonstrations against him by fascist hooligans, inflammatory articles, and provocations. Reaction loathed Palme." Unusually, Moscow has an immediate, calculated political response, while other international leaders refrain from political exploitation of the murder, merely expressing their shock at the news.

March 2 — Soviet Communist Party paper *Pravda* and government organ *Izvestia* assert "right-wing circles" and "Western circles," respectively, were behind the hit.

This line is now promptly picked up and faithfully reproduced during the following days by a chorus of Swedish "intellectuals" led by Palme intimate **Harry Schein** and **Olof Lagercrantz** in *Dagens Nyheter*, **Hans Haste** in *Expressen*, **Per-Olof Enquist** and **Karl Vennberg** in *Aftonbladet*.

March 3 — **Arbatov** tells the Soviet news agency *Novosti* that "It is the right-wing circles who are working against peace" who are responsible.

March 3 — *Ekstra Bladet*, Denmark's largest-circulation tabloid, runs article by "star reporter" **Paul Gazan**, claiming that "Sources in the police leadership reveal they are looking intensely at right-wing extremist groups, such as the Swedish neo-nazis and the so-called 'European Labor Party', which also has a branch in Denmark." Dated in Stockholm, this first article naming the ELP was based upon a manuscript shown by *Expressen* reporter **Tommy Schönstedt**, according to a statement by Gazan.

March 3 — *Tageszeitung*, the Berlin-based pro-terrorist paper, runs article from Stockholm by **Andreas Juhnke**, saying that, "According to information of the Swedish paper *Expressen*, the **Security Police** is mainly focusing on right-wing extremist circles including the 'European Labor Party'..."

March 4 — *Expressen*, Sweden's largest-circulation daily, runs the story floated one day before in *Ekstra Bladet* and *Tageszeitung*. The article, by crime reporter **Leif Brännström**, mentions the ELP, "Known for hate propaganda against Olof Palme," in a list of alleged suspects under investigation by the **Security Police (SÄPO)**.

Expressen the same day carries an article authored by **Georgii Arbatov**, titled "Palme Hated by Many." Arbatov intones: "I don't know who murdered Olof Palme, but I know very well who hated him. He was hated, bestially hated, by those who cannot accept, by those who hate what he spent his life for — peace and disarmament ... As a member of the **Palme Commission**, ... I have seen demonstrations by neo-fascists, seen hooligans curse him and threaten him, read slander articles..."

March 4 — *Nordvästra Skånes Tidningar*, a local Southern Swedish paper, runs article by **Lydia Capolicchio** citing local tax police commissioner **Bertil Häggman**, who has studied terrorism for more than ten years. "Palme's way of criticizing political adversaries is indeed controversial. Enemies — our prime minister certainly had many," Häggman is quoted, followed by a list of alleged suspects, including: "The European Labor Party is the organization calling Olof Palme a 'traitor'. The organization is known for its strong Palme hate, but has never conducted a policy of violence."

March 5 — *Radio Moscow* reiterates that the Palme murder “is an attempt by right-wing elements who want to deliver a blow to peace and disarmament movements.”

March 6 — *Literaturnaya Gazeta*, Soviet cultural journal known as a mouthpiece of KGB disinformation, runs article by Soviet Foreign Ministry spokesman **Vladimir Lomeiko**, asserting that “many things” Palme stood for are close to “the new approach by the leadership of our party on questions of today’s global problems,” including “organizing for a nuclear-free civilization,” etc. “For that reason, he was a target of the ideological adherents of violence. That is why they hated him. ... At this moment we do not know the names of his assassins, but we know the handwriting of political assassination.”

March 8 — *Ekstra Bladet* prints a letter to the editor by Swedish ELP spokesman Michael Ericson, protesting the paper’s claim on March 3 that the ELP is under police investigation regarding the murder of Palme: “We have contacted police inspector **Anders Sigurdsson**, Stockholm, who is in the leadership of the investigation. He makes it clear that the ELP is of no interest to the investigation. ‘The name has not even come up,’ he says.”

March 14 — *TASS* correspondent in Stockholm says that the ELP is “the same group” as the neo-Nazi “**European National Socialist Union**,” which had claimed the Palme murder in a letter received on March 13 by the Swedish news agency *TT*. The *TASS* spokesman names *TT* as his source, which agency categorically denies having issued such misinformation.

March 14 — *BT*, the second-largest Danish paper, a noon tabloid of *Berlingske Tidende*, reports that a man was detained on March 12, who is connected to the ELP, and who was known previously as such by the **SÄPO**: “According to sources in SAPO (sic), the 35-year-old has been a sympathizer of the EUP (sic!) and has worked on a freelance basis for the party, among other things by authoring articles for party journals.” In fact, the suspect *never* worked for the ELP, *never* wrote an article for ELP publications, and *never* attended an ELP event, public or internal. He signed up for membership in 1984, and was removed from membership in 1985, as there was no basis for further cooperation.

In a call to the **SÄPO** on March 14, the ELP’s Michael Ericson is told that no such accusations had originated with **SÄPO**, which has no information linking the man to the ELP.

March 15 — *BT* prints a statement by an ELP spokesman, titled “Not Our Man,” denying any links between the suspect and the ELP: “It is a lie which must have come from Soviet or Soviet-related circles.”

Suspect “linked to” the ELP

March 16 — *The Observer* of London in an article by **Chris Mosey** from Stockholm on the March 15 funeral of Palme writes, “Police hunting Palme’s assassin are investigating a possible link between the killing and an extreme right-wing political group known as the European Workers’ Party (sic!)” The paper claims that the “man under arrest in Stockholm on suspicion of complicity in the murder, is understood to have been a supporter of the party and to have held political meetings with up to 30 people crowded into his one-room flat in a suburb south of Stockholm.”

March 18 — The storm breaks loose, a well coordinated wave of lies and innuendo appears throughout the entire Swedish and international news media, whether printed or broadcast. A few samples include:

SWEDEN:

Morgonot, national radio morning news, broadcasts that the suspect was an ELP member, adding lurid details of “meetings of decently dressed people ... both Swedish and foreign guests” at the suspect’s home.

Svenska Dagbladet runs front page article titled “Suspect to Be Charged, Member of Political Sect,” which is cited widely as a source of other slanders. Echoing the Soviet-inspired slander guidelines, the self-professed conservative daily says, “In 1984, he was a member of the ELP. The ELP on several occasions has run campaigns against Olof Palme,” and the suspect “is known to be an outspoken anti-communist.” Written by **Richard**

Aschberg and **Sune Olsson**, the article reports that "At the National Tax Authority, the 32-year-old, along with 1,800 other persons, is registered as a member of the ELP" — giving away one of the coming operations against the ELP.

Aftonbladet runs 16 pages on the Palme murder, 10 of which are devoted to the ELP. Half of the front page is a picture of the Social Democrats' 1976 election kick-off rally, showing an anti-Palme placard held by two men. A black square covers the face of the man to the right. "The one holding the placard to the right in the picture is the man who yesterday in Stockholm faced charges for the murder of Palme," *Aftonbladet* asserts, as proof of the suspect's long history of work with the ELP. The same picture is blown up across the entire page 6, under a banner headline, "Here the 32-year-old Attacks." In reality, the man singled out on the picture is a Social-Democratic activist, attempting to violently tear down the ELP's placard!

Kvällsposten, like many other papers, carries the same picture as *Aftonbladet* of the 1976 election rally, claiming that the Social Democrat attacking the ELP placard is the suspect, demonstrating with the ELP against Palme.

The paper also retails the lie that the suspect visited the editorial offices of several Copenhagen newspapers on behalf of the ELP, in connection with Palme's 1983 visit to Copenhagen.

DENMARK:

Ekstra Bladet reports that the suspect was an ELP member, and equates the suspect's hate of Palme to that of the "right-wing extremist" ELP.

BT claims that the suspect was "known to Danish papers since Sept. 1983," when allegedly he visited the Copenhagen press, attempting to solicit articles against Palme, on behalf of "an extreme right-wing organization," in connection to Palme's Denmark visit. No mention of the ELP, but other papers now claim this as "proof" that the suspect worked for the ELP in 1983.

Danish TV reports the *Svenska Dagbladet* story that the suspect was an ELP member, cites Swedish police sources who do not think the suspect was an active ELP member, but repeats the story that the suspect visited the *BT* editorial offices as an ELP member lobbying against Palme in 1983.

NORWAY:

Aftenposten reports *Svenska Dagbladets* story that the suspect signed up for the ELP in 1984, and cites former ELP members describing the party as a small disciplined sect, "in which brainwashing of members and harassment of political adversaries was an important part of the activity."

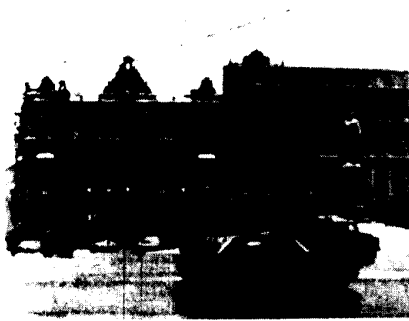
GREAT BRITAIN:

The Times runs front page article by **Christopher Mosey** from Stockholm with name and picture of suspect, asserting that police "are understood to be investigating his possible links with the right-wing European Workers' Party (sic!), which has its headquarters in Wiesbaden, West Germany," and quoting the suspect saying, "Palme is on the death list. Blood will flow on Stockholm's streets!" Article ends with *AP* wire from Bern that Swiss authorities has offered SF 125,000 for clues to the Palme murder.

Reuters wire says that the suspect was an ELP member, and quotes ELP spokesman Michael Ericson saying, "There have been clear attempts by Moscow to lay the murder at our door." The news agency retails the *Aftonbladet* story with a 1976 picture allegedly showing the suspect among ELP members heckling Palme.

FEDERAL REPUBLIC OF GERMANY:

ARD and *ZDF*, both national TV channels, as well as all regional radio stations broadcast the suspect's ELP links.



Western news media promptly issued the Soviet disinformation line. Above, the spiritual home of the "free press," Moscow's old Lyubyanka prison, today housing the KGB headquarters. In the foreground, Cheka founder Felix Dzerzhinskii's statue.

FRANCE:

AFP leads the barrage with a wire citing *Svenska Dagbladet* on the suspect's membership of the "extreme right-wing" ELP, quoting the party's intention to "put a stop to Palme's collaboration with the Soviet Union." *Antenne-2* TV, *France-Inter* state-owned radio, and *Europe-1* commercial radio all broadcast variations on the theme of ELP links to the Palme murder, with invectives ranging from "fascist" through "hallucinatory" to "paid by the CIA" or "KGB."

Le Monde reports the suspect's alleged ELP membership, cautiously worded in the first edition, carrying the ELP's denial in the second edition.

ITALY:

Italian TV and radio report the ELP links of the suspect.

UNITED STATES:

The Washington Post runs an article by **Chris Mosey** saying that "literature attacking Palme was found in the suspect's suburban apartment, some of it printed by the extreme right-wing European Workers' Party (sic!), based in Wiesbaden, West Germany." The article cites police saying they are investigating a possible link between the Palme murder and the party, which "carried out a virulent campaign against Palme in Sweden, producing a pamphlet purporting to be a 'missing chapter' in his life, in which it accused his family of having Nazi links."

NBC-TV broadcasts a Nightly News item by **Brian Ross**, alleging a connection of the suspect to Lyndon LaRouche, who is identified as head of a neo-Nazi cult. The **Anti-Defamation League's Fact Finding Division** head **Irwin Suall** was interviewed, saying it was conceivable that a person affiliated with LaRouche could commit an assassination.

UPI wire reports that "a fanatic anti-communist arrested in the assassination of Prime Minister Olof Palme was kicked out of an extreme right-wing political group," quoting ELP spokesman Michael Ericson as saying, "We are not interested in people with cult ideas."

From storm to hurricane

March 19 — The storm grows to a veritable hurricane, with further creative elaboration of the fairy-tales of the days before:

SOVIET UNION:

Radio Moscow, once the KGB disinformation line is in place in the West, breaks almost two weeks of silence, playing back in both domestic and international broadcasts the Western media reports that the suspect was a member of "the fascist European Labor Party, with its headquarters in West Germany."

Red Star, the **Red Army** daily, runs a TASS release citing *Svenska Dagbladet*, reporting the suspect's links to the ELP, "a 'political sect' with strict discipline, which carries out persecutions of its political opponents. Some years ago the party started a 'Save Sweden' campaign. Such a 'rescue' would be carried out by Sweden's entry into **NATO**."

SWEDEN:

Svenska Dagbladet claims "The suspect was active in the ELP already in the mid-1970s," citing an anonymous ex-reporter at the Malmö local radio, who says the ELP demanded at that time that he broadcast an interview with the man now under arrest. Several pictures are shown of police trying to find the suspect on old pictures of ELP events.

The paper also cites the U.S. **Heritage Foundation's Milton Copulos** warning that ELP supporters in the U.S. get "terrorist training," and complaining about a leaflet intervention against a Dec. 1984 press conference in Chicago of the **Palme Commission**, including commission member **Georgii Arbatov**, where one of Lyndon LaRouche's associates asked "a critical question."

Dagens Nyheter claims that "a CIA man in the name of the [ELP]

organization gave a lecture in Stockholm in 1974,” and adds that LaRouche “is a millionaire in the computer business (sic).”

Expressen runs 12 pages on the Palme murder, 6 of which are devoted to the ELP. Apart from rehashing more conventional lies about the ELP, a full page is reserved for a former TV reporter, **Larsolof Gierfta**, who in 1982 produced a slander program on the ELP, and claims to have received a death threat from the party.

Aftonbladet runs 8 pages on the Palme murder, 4 of which are devoted to the ELP. The Goebbels Prize is awarded to a two-page spread carrying three large pictures of the West German neo-Nazi **Karl-Heinz Hoffmann** in action, with paramilitary, neo-Nazi uniformed troops, dogs, and skull and cross-bones symbols. The title reads: “The Neo-Nazi Training Camp, Here Six Swedes Were Trained.” Citing an unnamed former ELP member, picture captions and article claim that several Swedish ELP members received weapons training at Hoffmann’s training ground in Wiesbaden (sic!).

Another half-page banner headline purports to quote an unnamed ELP spokesman, saying “It May Become Necessary to Shoot Palme,” a statement allegedly made to a Swedish journalist in Dec. 1984! In his 1984 article, the journalist didn’t think the statement worth reporting, but after the Palme murder, he suddenly “recalled” it...

In a tiny box at the bottom of the same page, the paper half-heartedly retracts its front-page lies of yesterday, about the 1976 election rally, but written cryptically in order to hide the implications. Meanwhile, other papers were already retailing the lie about the suspect’s 10-year ELP membership.

Smålands Folkblad runs the same fabrication as *Aftonbladet* that day, varying its quote, “We Wouldn’t Hesitate to Shoot Palme!” in a banner headline with name and large picture of the ELP spokesman alleged to have said it.

Falu Kuriren runs a vitriolic editorial, rehashing the line that the ELP is an “extremist sect” running “hate propaganda” against Palme, but adding, “Yet the party can hardly be connected to the murder of the prime minister,” as “the organization as far as we know has never used violence.” The paper also runs an article, signed by its political editor, “ELP expert” **Hans Lindquist**, who after retailing his repertoire of anti-ELP invectives — including pro-Sovietism, anti-semitism, and pro-American — warns that the suspect “in all likelihood has had no prominent function in the movement.” Examination of all ballot documents and publications does not turn up the suspect’s name, and “Former Executive members who are now fighting their old party and thus have no reason to hide facts damaging to the ELP, say they do not at all know the man, neither by name nor his face.”

DENMARK:

Berlingske Tidende runs article calling the ELP in West Germany neo-Nazi. *Jyllands-Posten* in article by Bonn correspondent **Klaus Justsen** calls the ELP “fascist,” and LaRouche a “Führer.”

Aktuelt, the Social-Democratic daily, sets the tone in a large headline, “Danes on Hate-Party’s Black List,” implying that after Palme, the ELP is now targetting several Danes, particularly Denmark’s former Social-Democratic health minister, Ritt Bjerregaard.

Ekstra Bladet joins in, running front page banner headline asserting that “Ritt (Bjerregaard) is Next on the List of Hate.”

Land og Folk, Danish Communist Party daily, varies the theme in its headline, “Anker J. on Same ELP ‘Enemy List’ as Palme,” in reference to Denmark’s former Social-Democratic prime minister, Anker Jørgensen.

Information runs both article and editorial by **Jørgen Dragsdahl**, claiming that the ELP’s philosophy promotes violence and terrorism.

NORWAY:

Dagbladet runs large picture of a hooded **Ku Klux Klansman** in white robe, claiming that it is Lyndon LaRouche — although the face, which is show-

ing, tells anybody who cares for the truth that it isn't LaRouche, whose real picture is printed on another of the 7 pages devoted to the Palme murder! The paper also retails the lies from *Svenska Dagbladet* that same day, that the suspect has been an active ELP member for ten years.

Morgenbladet lies that West German ELP leader Helga Zepp-LaRouche is really born in East Germany, although "officially she is born in Trier, West Germany."

Arbeiderbladet accuses the ELP of running a "crusade against drugs, AIDS, the International Monetary Fund, the Rockefeller family, Jews (!), communism, the social democracy and the peace movement."

GREAT BRITAIN:

The Times repeats its lies from the day before, again in an article by **Christopher Mosey** from Stockholm, adding the "accusation" that the ELP "has for several years conducted a virulent campaign against Mr. Palme and advocates Sweden abandoning its policy of neutrality and joining **NATO**."

FEDERAL REPUBLIC OF GERMANY:

Frankfurter Rundschau writes that the ELP "has specialized in the worst kind of political propaganda and, in Scandinavia, Olof Palme was their dearest enemy ... The hate they're spreading can mislead a psychologically unstable person into committing actions, the consequences of which they cannot control"

Frankfurter Allgemeine Zeitung, *Süddeutsche Zeitung*, and *Die Welt* all run coverage based on *Aftonbladet* of the day before, including the fake picture of the "suspect" with the ELP.

FRANCE:

Le Matin de Paris uses the title, "ELP: One Sect, One Party, One Leader," alluding to an infamous Nazi slogan.

ITALY:

l'Unità, Communist Party daily, runs the headline, "Is Palme's Killer a Hard-Core Neo-Fascist?" adding, "He was an ELP activist."

Il Resto del Carlino runs a story in which the author claims he personally attended "ELP meetings" where "Nazi songs were sung" and a "lot of beer and sausages were consumed."

SPAIN:

National TV, Channel 1, carried news item on suspect's links to the ELP and LaRouche, who was identified as the leader of an international neo-Nazi organization.

UNITED STATES:

The Washington Post runs an article in its first edition, titled "Suspect in Palme Case had LaRouche Party Tie," which is pulled from later editions. *Chicago Sun-Times* runs article titled "Palme Suspect Linked to LaRouche Extremists," based on *Svenska Dagbladet*.

CBS-TV in Illinois broadcasts a statement by dope lobby figure **Chip Berlet**, rehashing the suspect's alleged ELP and LaRouche links.

MEXICO:

Mexican TV gave extensive play to the LaRouche connection.

PERU:

Expreso, house organ of dope liberal **Manuel Ulloa**, was alone in retailing the slanders against LaRouche and the ELP.

Suspect released



Despite the release of Gunnarsson, and thus the collapse of Holmér's forged connection to the ELP, Swedish police and media attempt to escalate their witchhunt against the party. Above, Police Chief Hans Holmér.

March 20 — After the suspect's sudden release in the afternoon of March 19, most of the media drumbeat regarding the ELP grinds to an abrupt halt, with either no further mention of the Palme case whatsoever, or "straight" news wires reporting the suspect's release, with no mention of the ELP. The most significant exceptions, some of which are sampled below, are in the Scandinavian press:

SWEDEN:

Arbetet runs the headline, "Criminal Police Fetched 1,800 Names of ELP Members," over an article beginning, "The police are still interested in the ELP, in the hunt for Palme's murderer." The seizure of the registered ELP members' names from the National Tax Authorities' Electoral Office signals the next phase of harassment and intimidation efforts against the party, run with Swedish police complicity.

Expressen, headlines an article by **Leif Brännström**, who helped launch the original March 3-4 campaign against the ELP, "All Members of the ELP Under Investigation." The article begins, "The investigators of the murder now begin to penetrate deeper into the examination of the ELP. The National Criminal Police have now seized the 1,800 membership registration forms that the right-wing extremist party had filed with the National Tax Authorities. 'We are going to check the names in order to see whether any of them can be connected to the murder of Olof Palme,' one police source told *Expressen*."

DENMARK:

Ekstra Bladet reports continuing police investigation of the ELP, with the seizure of 1,800 membership forms.

Berlingske Tidende claims that 3 ELP members harassed Palme already in 1970 at the Copenhagen airport — several years before the party was founded!

GREAT BRITAIN:

The Times, again in an article by **Christopher Mosey**, keeps regurgitating the old lie about the suspect's appearance at a 1976 ELP demonstration, which was retracted by *Aftonbladet* on March 19.

FEDERAL REPUBLIC OF GERMANY:

Kieler Nachrichten calls the ELP "terrorists."

FRANCE:

Le Quotidien de Paris, in an anonymous article reporting the suspect's release, adds explanation of why the investigation focused on "terrorist organizations," such as the Croats, the RAF, and "the fascist sect" ELP!

Le Monde runs article characterizing the ELP as more likely "left-wing Gaullist," rather than extreme right-wing or "ultra conservative." Cites the ELP program extensively, and notes that the party was never accused of using violence.

Présent, a conservative Christian daily, employs quotes to refute the notion of the ELP as an "extreme right-wing" party. The paper mentions the ELP's praise for the turn-of-the-century Colbertist figure of the French Socialist Party, Jean Jaurès, the ELP's strong condemnation of the Nazi collaborator Vichy regime, and the ELP's multi-racial candidates slate in the just concluded French elections.

Présent also attacks the disinformation campaign run through the media, and cites "Western intelligence sources" saying that the Soviets are likely behind the Palme murder.

Soviet TV on LaRouche

March 21 — *Vremya*, the Soviet TV news program, airs an attack on the ELP, regretting that the man who was arrested in the Palme murder case is now being released for lack of evidence. This happened only because, deplorably, "the police and judicial organs operate within the framework of Swedish laws. However, it has become known for example, that the per-

ШВЕЦИЯ

К убийству
У. Пальме

СТОКГОЛЬМ, 7 июля. (ТАСС). Расследование обстоятельств убийства Улофа Пальме пролило свет на деятельность в Швеции ряда правозэкстремистских организаций, которые уже давно и систематически проповедовали вражду и ненависть к бывшему главе правительства, пишет газета «Дагенс нюхетера».

Речь идет о нескольких крайних правых религиозных сектах, члены одной из которых, носящей название «Европейско-американский евангелический крестовый поход», незадолго до убийства «вызывали к всевышнему о смерти Пальме», подчеркивает газета. Как свидетельствует «Дагенс нюхетер», заявления ее главара, некоего Я. С. Торелла, осевшего в США, перекликаются с высказываниями представителей реакционной «европейской рабочей партии» со штаб-квартирой в Брюсселе, требовавших «ухода Пальме» со своего поста и ратующих за «спасение Швеции» «через вступление страны в НАТО».

Не вызывает никакого сомнения заочное «происхождение» этих организаций, пишет газета. По мнению прогрессивной общественности Швеции, именно они были крайне враж-

сон арестован принадлежал к так-званой Европейской Рабочей Партии (sic!), международной про-фашистской организации, которая установила себя в Швеции в середине 1970-х годов. Члены этой организации являются сторонниками вступления в НАТО и вооружения шведской армии нейтронным оружием. Штаб-квартира этой партии находится в США. Она возглавлена американским миллионером, Ла-Ружом».

March 23 — *Izvestia* laments the release of the suspect and the police “blunder” that prompted the release, saying that “*Svenska Dagbladet* reports that the traces from the fired weapon on the sleeve of the released man and on Palme’s clothing were identical (sic!). If experts confirm this, then he’s going to be imprisoned soon.”

March 29 — *Polityka*, the Polish weekly intelligence-leak sheet, attacks the ELP as “CIA supported,” led by a “fascist,” “American multimillionaire” Lyndon LaRouche. After the ritual litany on the ELP’s “links” to the suspect in the Palme murder, the Polish weekly writes that “Because of their international links and important financial means they have risen to the role of one of the most dangerous groups of the Swedish extreme right,” emphasizing that groups affiliated with LaRouche are conducting “an openly anti-communist and anti-Soviet campaign, and lately have campaigned for Sweden to join NATO.”

May 1 — *Nation Europa*, a West German neo-Nazi “Monthly in the Service of the European New Order,” attacks the ELP for running a hate campaign against everybody and everything, “posing sometimes as left- and sometimes as right-wing radicals, although viewed as a branch of the CIA with the task of discrediting both extremes.”

May 19 — *Interviú*, a Spanish weekly, runs a 4-page interview with a Yugoslavian mercenary living in Sweden, **Ivan von Birchan**, claiming that Palme was killed by the CIA. The man formerly under arrest as a suspect, according to von Birchan, “was a member of the ELP, an organization with links to American intelligence services, with the aim of attacking parties and personalities of the left. The ELP has run a big campaign accusing Palme of involvement in the drug traffic.”

July 8 — *Izvestia* renews its campaign against the ELP, by printing a *TASS* release from Stockholm on the front page. Citing a *Dagens Nyheter* article which said that “right-wing extremist organizations” had spread hatred against Palme, *TASS* adds that the statements of one group, which “appealed to the Almighty for Palme’s death ... have something in common with those of representatives of the reactionary ‘European Labor Party,’ headquartered in Brussels (sic!), who demanded the ‘resignation of Palme’ from his post and who campaign for ‘saving Sweden through the country’s joining NATO.”

Aug. 7 — *Svenska Dagbladet* runs an article by **Tomas Lundin**, titled “The ELP’s Secret Headquarters,” purporting to “reveal” that the house of West German *EIR* manager Anno Hellenbroich has been used for “nightly deliberations” of “the inner circle” of the ELP, and that the house is indeed a “secret and extremely well-guarded command center.”

Aug. 29 — *Dagbladet* in Norway cites an article in *Aftenbladet* on Aug. 27, based on a source close to Prime Minister Ingvar Carlsson. The source asserts that it was not a known terrorist group which was behind the Palme murder, but a large organization with branches in several countries, with a lot of money and an almost religious political fanaticism. Unlike *Aftenbladet*, the Norwegian paper adds that “sources that *Dagbladet* has been in touch with say that much indicates that it is the international Nazi organization ELP that is referred to.”

Sept. 4 — *L’Humanité*, the daily of the French Communist Party, cites *Aftenbladet*’s report that “police are investigating Swedish sympathizers of the **World Anti-Communist League**, an international agency whose links with the CIA and the Moon sect are notorious.” The French Communist Party organ adds, “We recall that shortly after the Palme murder, investigations were led toward the circles of the international extreme right. In this

Izvestia, the official organ of the Soviet government, assumed a leading role in the disinformation campaign against the ELP. Depicted here, the July 8 front-page article datelined in Stockholm.

Sept. 15 — *Der Spiegel*, the West German weekly, writes that suspicion has increased against those circles that were under scrutiny immediately after the murder, “Since after all, only two organizations remain, concerning which all indications are to the point: the offshoot of the right-wing extremist European Labor Party ELP, active also in Sweden, and the émigré group of the ‘Kurdish Workers’ Party’ PKK.”

One half year after *Aftonbladet* splashed forged evidence of Gunnarsson's active, 10-year organizing with the ELP across its front-page, the paper admitted the truth on Sept. 7: under the subtitle, "No member of the ELP" (lower-left corner), Gunnarsson is quoted: "I have not been a member and I do not sympathize with them, although there are certain things in which they are right."

Self-censorship as “psychological defense”

In recent years, Sweden has perfected a system of rules and laws governing the conduct of media activity modelled more closely on the Czechoslovakian or Soviet-Russian examples, than that of any Western democracy. Emerging out of Swedish wartime press censorship procedures of the 1940s, a bureaucratic apparatus under state aegis has been built which echoes George Orwell's famous “1984.”

In 1954, Sweden established a **“Board of Preparedness for Psychological Defense,”** to continue in the postwar era the wartime emergency control apparatus. Under Swedish law, this Board is responsible for overseeing the “psychological alertness” of the national citizenry, through monitoring the content of press articles on sensitive themes.

Officially a modest organization in peacetime, the Board consists of a chairman and 14 Board members with personal alternates, and about 15 staff members working out of the Board's office in central Stockholm. Regionally, the Board was assigned representatives based at the offices of Sweden's 24 county governors. The Board members are appointed by the government, after being nominated by the Commander-in-Chief, a couple of other defense-related institutions, and a large number of mass media institutions, such as the state radio and TV monopoly, the national news agency *TT*, the Swedish Association of Newspaper Publishers, and the Swedish Association of Journalists. Most Board members hold leading positions in the press, the chairman usually being the editor-in-chief of a Social Democratic newspaper.

The task of the Board is supposedly to prepare and coordinate a vast apparatus of hundreds of people and dozens of institutions, which are to spring into action in times of war or crisis. The peacetime exercises of this full-fledged apparatus in the conduct of war propaganda, counter-propaganda, war games, inoculation of the population, courses and conferences, nationally and regionally, necessarily means that the larger, “war-time” organization is *de facto* already active.

The psywar board turns pro-Soviet

While the Board, in its first phase, had a significant orientation to stop Soviet expansionism and communist subversion, during his reign the late Swedish Prime Minister Olof Palme turned the “psychological defense” apparatus into a vehicle for enhancing growing Soviet influence against Sweden's traditional post-war, pro-Western neutrality. As late as 1971, a Board exercise, code-named “Operation Jonas,” was based on the scenario of a Soviet attack on Sweden, aided by a communist fifth column and a Soviet spy masquerading as a left-wing journalist. Only three years later, in 1974, such a scenario had become unthinkable, and that year's Board exercise, code-named “Karin,” was based on the scenario of a U.S. invasion of Sweden!

After 1971, press leaks were organized “exposing” the one-sided pro-Western “bias” of the 1971 “Operation Jonas,” a public “debate” about the Board's activity was staged, and purges and reorganization efforts were undertaken to adapt the Board to the needs of Sweden's changing foreign policy alignment under Palme — in parallel to a similar reorganization of the secret services, the public propaganda tool for which was the so-called “IB Affair” [See Chapter I, Section 2.].

According to a 1976 book by leftist author **Bjarne Moelv**, “The Propaganda Ministry,” the new generation of Board operatives “are

energetically seeking to adjust the organization to the official domestic and foreign policy of the government. But as this governmental policy today appears to be adjusting to the Soviet Union ... the future may provide unexpected complications and alliances. (...) I consider it entirely possible, that the leaders of the psychological defense will be able to suffocate the discussion about the Soviet threat and war danger in established mass media, while integrating adjustable leftists into a renewed and ostensibly radicalized psychological defense organization?"

It was only thanks to Palme's electoral defeat in 1976 that the escalation of this process was held back, until Palme's return to power in the fall of 1982. No sooner had the Social Democrats recaptured power, than the government issued a law, creating a new, further upgraded state institution for psychological warfare. Named the "**Board for Psychological Defense**," the new agency was rushed through parliament and commenced operations on July 1, 1985.

The "peacetime" and "wartime" boards merge

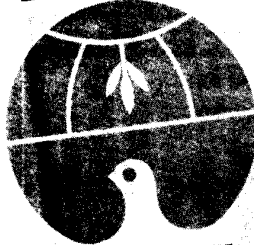
Officially acknowledging the fraudulent pretense of a separation between the "peacetime" and "wartime" psychological warfare apparatuses, the new Board was a merger between the two, plus a third institution, "**The Information Board of the Total Defense Authority**," which had been created in 1962 to activate the peacetime psychological defense. According to its architects, the purpose of the merger was to "cover the so-called twilight zone — the border area between war and peace" such that "the transition between peacetime and wartime operations would be more flexible."

In 1984, the new Board's appointed Director General, **Per-Axel Landahl**, formerly the chief of staff of the peacetime Board, proudly proclaimed that "in Sweden, we are preparing to discuss *in advance* what should be written and what not, *together* with the journalists." Indeed, the practical results of this unwieldy bureaucracy supervising the "free" press, have been an astounding conformity in Swedish journalism, designed to perpetuate Sweden's semi-totalitarian system of corporatist rule.

Beyond merely suppressing news coverage undesired by the psychological-defense apparatus, recent years have witnessed growing use of this media-control mechanism in active measures of false reporting or disinformation. Horrifying examples have shown how a concentrated media campaign regarding, e.g., the alleged tax law violations of an independent entrepreneur, in a matter of weeks can irreparably ruin the economy of his business, deprive him of his clients, etc., irrespective of whether later court judgements will clear him of all suspicion.

Further ensuring such obedience to authority in Swedish media coverage is the parallel system under which virtually every newspaper in the country financially depends upon state financial subsidies. Under the finance ministry, a National Press Subsidy Board dispenses tens of millions of kronor to newspapers every year. Without this state financial support, most papers in the country would go bankrupt. It is a powerful, if normally implicit, method of further encouraging a strong conformity in media coverage. The newspaper associated with Lyndon H. LaRouche's co-thinkers in Sweden, *Ny Solidaritet*, is one of the few papers to be refused this financial subsidy. The grounds given were the alleged lack of sufficient "news" coverage in the paper...

NEW TIMES



IN THE NUCLEAR AGE,
SAVING THE EARTH
FROM ATOMIC ANNIHILATION
IS A UNIVERSAL TASK,
THE CAUSE OF ALL PEOPLE

M. S. GORBACHEV



The Soviet weekly *New Times* of Sept. 15 devoted five pages to LaRouche and the ELP, under the heading of "Nazism Without the Swastika" — the same title used for a pamphlet against LaRouche by the Anti-Defamation League's defamer Dennis King. As an "expert" on LaRouche and fascism, *New Times* interviewed KGB disinformation specialist Ernst Henry, who said that the ELP "is one of the dozens of similar CIA subsidiaries set up in many countries." The Norwegian *Dagbladet*'s March 19 editorial page, printing a hooded Klu Klux Klansman's face, lying that it was a picture of LaRouche. The paper even published LaRouche's real picture four pages later in the same day's edition.

The lies the Soviet press is ordered to publish, are issued much faster, voluntarily, by the "free" Western press.

Dagbladet

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Onsdag 19. mars 1986

Storm mot Langslet

■ Dersom en landbruksminister hadde skaffet seg samme forhold til landbrukets organisasjoner som statsråd Langslet har til kulturlivet, hadde han ikke vært landbruksminister lenger. Daglig strømmer det på med nye resolusjoner mot Langslet, men han blir sittende. Og han sitter åpenbart trygt og godt.

■ I helga var det forfatterne som ba Langslet gå av fordi han mangler forståelse for deres situasjon. Tidligere har han vært i tottene på alle skribentorganisasjonene om biblioteksvederlag, han har utnevnt en testekomité på vers av organisasjonenes ønsker, han er på kant med studentene om studielån og med universitetene og forskningsinstitusjonene om budsjettene. Da har vi ikke nevnt filmarbeidene, stuntpoetene, striden om transmisjon av teaterforestillinger og alt det andre. I går fikk Langslet også en kraftig dragelag fra Reulf Steen for sykepleierutdanningen. Behandlingen er over grensen for hva Stortinget kan tåle av arroganse og manglende respekt, sa Steen.

■ En del av angrepene på Langslet skyldes politikk uenighet, men langt fra alle. Begrep som arroganse og mangel på lydhørhet går stadig igjen. Det gjelder statsråd Langslet selv, men også de medarbeiderne han omgir seg med.

■ Om statsråd Langslets personlige egenskaper vil vi ikke mene noe særlig i denne sammenheng, selv om han åpenbart har endret både interesseområde og stil fra han fikk sitt første festskrift som 21-åring til han fikk sitt foreløpig siste da han fylte 50 for kort tid siden.

■ Vi tror mange av kalamitetene omkring Langslet skyldes ulike forestillinger om hva et kultur- og vitenskapsdepartement kunne bli og hva Langslet har gjort det til. Mens organisasjonene i kulturlivet helst så et departement som en forlengelse av sektorens interesser, har Langslet gjort det til en motpart.

■ Vi skulle gjerne se at Langslet viste større forståelse og innsats for andre deler av kulturlivet enn radio og TV. Men vi er glad for at hans departement ikke har utviklet seg til et nytt sektordepartement. Slike har vi for mange av fra før.

Fornebu

■ Arbeiderpartiet i Oslo vil søke på Fornebu som hovedflyplass. Det er en riktig satsing.

Fornebu vil bli billigst og best, og det skulle egentlig være tilstrekkelige argumenter. I tillegg kommer at Fornebu kan bli bygd ut på kort tid. Vi kan jo knapt leve lenger med dagens flyplasssituasjon. Og alle kan tenke seg hvilke tilstander vi vil få i de nærmeste åra hvis vi nå skal starte prosessen med et helt nytt anlegg. En slik prosess tar som kjent sin tid i vårt land, og i mellomtiden skal vi alle leve under dagens forhold.

Det er Stortinget som til sist skal si det avgjørende ordet i denne saken. Der vil Fornebu-alternativet vinne, for Stortinget består stort sett av distriktpolitikere som ser de sto-

A/S Vanvidd



Her er Moskova festselskapsne med klubb fra Schiller-instituttet — Arne Thohus, Willy Brandt, Vidkun Quisling, Olaf Palme, Einar Pardo. Hvem skal skyte neste peng?

Begged 1975 — vi ble høytydlig presentert for hverandre på en mottakelse for de utenlandske hovedsakene. Dette er Mr. Smith, den kjente irak-venn fra Stockholm. Og dette er Mr. LaRouche, formann for det amerikanske Labor Party og presidentkandidat ved valget til neste år.

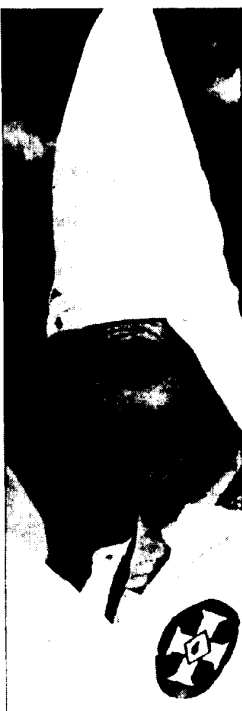
■ Lyndon LaRouche var invitert til Baath-partiets 20-årsjubileum på grunn av sin jødedødelige innsett, og jeg var invitert på grunn av en forekomst. Der gikk det å små-konversere — Kandidat for et arbeid i USA? Det var moro å treffe dem. Men de regner vel ikke egentlig med å bli valgt til president.

■ Vi har et leder for EAP i Vest-Tyskland, med europeisk hovedkvarter i Wiesbaden, og direkte kontakt til underavdelingen i Sverige, og hun skaffet partiet 0,38 prosent av stemmene ved siste forbundsdagsvalg. Ved Europa-valget var det bølge av bølge på alle plakater — og hvem finansierer et slikt parti og en så høye valgkamp?

■ En vestlig hemmelig tjeneste, for sosialdemokraterne i Bonn. De mistenker CIA, og det er vist bare en tilfellehet at EAP-neofortmannen er grupe leder av den vesttyske overvåkings- og etterforskningsseksjonen som fikk spionert etter spionkandidaten i for-Overvåkingsseksjonen i partiet var venstre-ekstremist da det ble startet i 1978, og det var

■ SA oppdaget de at det var høyre-ekstremistisk, og da var det ikke så farlig. For eksperten LaRouche er også en Franz Josef Strauss venstre- og dermed europeisk. Selv fører de en konseptuell kamp mot kommunisme og AIDS — og for NATO, atomvåpen og kjerne-kraft (strålekraft). De skal redde verden fra Sovjetunionen og fra Brandt og Einar Pardo.

■ Fornebu er det lykke å redde verden fra Olaf Palme. Men det finnes mange andre skurker, og en av de verste er jøden Henry Kissinger. Det var han som sto bak mordet på den italienske



Lyndon LaRouche i Klu Klux Klan-univærk — Jøder/Polen blir jeg valgt til president i USA.

engelske adel. Ronald Reagan har de beste heretter og de dårligste rådgivere — og hvem sto bak mordforsøket på paven? Church of England, Club of Rome og World Wildlife Fund.

■ Her i Oslo ble selv demonstrant. Aase Livonnes sovjet-legen Jevgenij Tsjalov i forvarer de svenske utendringer fra Schiller-instituttet beskyldte ham for å spre AIDS. Politikere fra Arbeiderpartiet tok kontakt med SPD i Bonn for å høre hva slags institutt dette kunne være, da de fikk invitasjon til et seminar. Det er en sen dekkingsaksjon, og det kan ikke sammenliknes med Goethe-instituttet.

■ I så fall har vanvidd det foregående rådd av høydepunkt med mordet på Palme. Forvirende ledere baser opp forvirende tilhengere i en at mafusen er sammen aversjon — og det ville til og med være skumm. Dette har ikke noe med politikk å gjøre, og det er ingen fare for at vi ska møte LaRouche i Det hvite hus.

AFTONBLADET

TISDAG 18 MARS 1986

EXTRA

Misstänkte mördaren

— här
mötte
han
Palme



Svenska Dagbladet opened the barrage of March 18, with a front-page title, "Suspect to be Charged, Member of Political Sect," in reference to the ELP — issuing the standard lies then to appear in printed and broadcast world media.

Aftonbladet (right) with its now-infamous March 18 front page showing "Gunnarsson" (face covered by black square, lower-right corner) holding an ELP picket in 1976. After this "scoop" had been propagated around the globe, Aftonbladet admitted in a miniscule note the day after, that "Gunnarsson" was a Social Democrat attempting to tear down the ELP picket!

TABLOID

Ett hotplockat mot Olof Palme lyfte upp. Det är sommaren 1976 och vattenspåret i Örebro.
Den som håller placatet till höger på bilden är mannen som i går i Stockholms lägenhet häktad för mordet på Palme.
Han var i Örebro med en grupp ungdomar från den extrema ungdomsorganisationen ELC, i dag EAP, europeiska arbetarpartiet.
Organisationen förföljde Palme i både Sverige och USA.
Den mordanklades förklarer säger i dag till Aftonbladet:
— Samhället vill ha en syndböck.
Måns vill krossa den...



SVENSKA DAGBLADET

Nr 75 ***

VECKA 12

TEL: 08-13 50 00

TISDAGEN DEN 18 MARS 1986

Vardagar 3:50 Söndagar 4:-- b

Generalagent
for Mita
C
Telefon 08-743 04 50

Mordet på Olof Palme

Anhållne begärs häktad Medlem av politisk sekt

På måndagen begärdes den 32-åriga man som suttit anhållen misstänkt för delaktighet i mordet på Olof Palme häktad. Han misstänks

nu vara gärningsman. 32-åringen har tidigare gjort flera hotfulla utfall mot Olof Palme. Mannen är känd som antikommunist.

1984 var han medlem i EAP. Enligt ett vittne skäl 32-åringen i ett telefonsamtal ha sagt att Olof Palme sköts på dödsstrid och att "blod kommer att flyta på Stockholms gator".
Mannen har i åtskilliga förhör hållit sig till en linje när han berättat om vad han gjorde under mordnatten.
Polisen har dock ingen tilltro till hans version.
Holmér på måndagens presskonferens i polishuset.

Se INRIKES, sidan 6

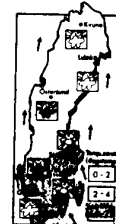
Ännu oklart om regering i Frankrike

Socialistpartiet gjorde det näst bästa valet i sin historia, men premiärminister Fabius får ändå lämna in den franska regeringens avskedsansökan.

Vem som får bilda regering var dagen efter parlamentsvalet oklart och det spekulerades i om president François Mitterrand skulle handla snabbt eller vänta till den 2 april när den nya nationalförsamlingen sammanträdde.
Det enda parti som förenas

ning ett fira valresultat var Jean Marie Le Pen nationella Nationala front som fick drygt 30 procent av rösterna och därmed gick om kommunisterna som gjorde ett katastrofval i vissa distrikt har upp till var femte väljare röstat på fronten.

Se UTRIKES, sidan 4



Den hertige hall som kändes till över Söderström. Hertigens hus över landet. Över Östersund ligger Mjölby och i närheten möter ett den tydliga inflyttningen över landet beaktas.

Se VADRET sidan 17

Hemlig **Då iakt** efter... och...
Då iakt efter... och...
Då iakt efter... och...

Miljö-Pelle
avliden
Per Olov, 66 år, Söderlän.

III. Why Sweden is prominent on Moscow's hitlist

The Northern Flank: key to Soviet military strategy

Unusual developments during the last few years have abruptly focussed attention on the northernmost corner of Western Europe. Comprising the countries of Sweden, Norway, Denmark and Finland, the area has become the scene of steadily increasing submarine incidents, intensified Soviet military maneuvers, and a variety of espionage affairs, involving Soviet and East European intelligence agencies. More recently it was the scene of the political assassination of Swedish Prime Minister Olof Palme.

When a Soviet Whiskey-class submarine ran aground in October 1981 on the shoals near the Swedish city of Karlskrona, the southernmost base of the Swedish Navy, the Northern Flank was suddenly thrust into international attention.

Not that such submarine violations on the Swedish coast were anything new or unusual. The Swedish Navy had monitored numerous such violations in years past — without, however, ever being able to ascertain the nationality of the intruder. Never before had the Soviets been caught red-handed in such an operation. The Whiskey affair caused great consternation in Sweden and developed into a major diplomatic incident between Sweden and the Soviet Union.

The other cause of concern in this northern outpost of Europe has been the massive Soviet military build-up on the **Kola Peninsula**, which now houses the major portion of the Soviet submarine fleet — the chief element in a Soviet second-strike capability against the U.S. The build-up of the Kola Peninsula as the major arsenal of Soviet naval might, as well as the



A Russian Whiskey-class submarine on the rocks off Sweden's southernmost naval base of Karlskrona in October 1981. In the foreground, a Swedish machine-gun post overlooking the scene.

increasing intensity of Soviet naval activity in the area, has become a matter of grave concern for U.S. and NATO military authorities.

For Soviet military planners, the northern flank of NATO has long been an absolutely essential area for the implementation of their global war strategy. The Soviet lack of a warm-water port into the Atlantic has made of the Murmansk naval base, and of the Kola Peninsula as a whole (with its ready access in all seasons through the Barents and Norwegian Seas out into the North Atlantic), an irreplaceable asset for the Soviets.

During the entire post-war period, the Soviet Union has successfully imposed on the Scandinavian countries, which border these passages, a defense and military policy which basically assures free Soviet access to the open sea. Any attempt by any of these countries to disturb the "status quo" would pose a serious threat to Soviet offensive capabilities in the area, and, because of the area's importance for Soviet war-winning capabilities, a grave threat to Soviet global strategy.

Soviet blackmail after the war

The end of World War II found the Soviet Union on the side of the Allies. Soviet troops had gobbled up chunks of Finland, which had been forced to rely upon Germany for assistance during the 1941-44 war with the Soviet Union, after the other Scandinavian countries had refused to come to Finland's aid.

The Soviets exercised a dominant influence in Finland. The strong **Finnish Communist Party**, totally subservient to its Moscow masters, under **Yuri Andropov's** mentor, **Otto Kuusinen**, was even then preparing to seize power, hoping, through a Soviet-backed coup, to secure total Soviet control over the area. The ability of the non-Communist parties to ward off the immediate threat of a coup, and a last-minute judgement by the Soviets that such an operation could backfire on them in the international arena, led to a shift in strategy.

The strength of the Finnish Communist Party, and the clear recognition by the Finnish government that the Soviets did indeed have a coup (or invasion) capability, made them amenable to accepting whatever conditions the Soviets might wish to impose on them. Barring any support from the Western powers, which were still formally allied with the Soviets, the Finnish government had no possibility to change the situation.

In 1948, Finland signed its **Treaty of Friendship, Cooperation and Mutual Assistance** with the Soviets. In the treaty, the Finns agreed to repulse all military action against the U.S.S.R. across Finnish soil by Germany or its allies, and to hold consultations with the Soviet Union in case of a threat of such attack.

In effect, this treaty comprised a mutual defense pact between the Finns and the Soviets, stretching Finland's formal declaration of neutrality to the limit. Anti-Soviet Finnish military and political figures had very little choice but to accept the bitter pill for the want of any better alternative. Any significant reaction would have only provoked more severe reprisals from the Soviets.

Not only has Soviet-Finnish military cooperation increased significantly through the years, as attested by the common sight of Russian naval vessels in the port of Helsinki. More significantly, the Soviets have, during the last 15-20 years, largely taken over the Finnish economy. During 1983, for example, the Soviet share of Finland's foreign trade was at 25-26 percent. Finland is critically dependent upon Soviet supplies of energy (oil, gas, electricity, and coal). Not only has this locked the "finlandization" process into place; it has also seriously eroded any sense among Finnish political (and military) layers that they can do anything significant to change their situation.

The Finnish dilemma was Moscow's primary battering ram to bring Sweden into line. Sweden's position during the immediate post-war period was quite different from that of Finland. During the war, Sweden had maintained its somewhat dubious position as a neutral country, by keeping channels open to both of the belligerent parties.

Early in the war, large sections of the Swedish oligarchy, including the

Royal House under **King Gustav V**, maintained scarcely hidden pro-German sympathies. The Social Democratic government of **Per Albin Hansson**, by its refusal to help the Finns during the 1939-40 Winter War, when they were fighting off a Russian invasion, helped to isolate Finland from its potential allies in the West, paving the way for later dependence on the Soviet Union.

During the war, **Hitler**, deeming an invasion of Sweden both costly and unnecessary, concluded a series of agreements with the **Hansson** government, which allowed to transit German troops through Sweden to the north of Norway, where they succeeded in crushing the military resistance to the Nazi invaders. Later, the so-called transit-traffic agreements also permitted the passage of German troops from occupied Norway to northern Finland.

Sweden, which had maintained trade with both sides throughout the war, changed to a more pro-British orientation as the tide of the war shifted to the advantage of the Allies. Like the proverbial cat, Sweden once again landed on its feet. As the Cold War heightened, the discussion was broached as to the appropriate defense profile to be adopted in order to counter possible Soviet military operations in the area. Although there was some discussion of a **Nordic Defense Pact** between Denmark, Sweden, and Norway, the decision of Norway and Denmark to join the **NATO Alliance** ruled out such a possibility, barring, of course, a Swedish entry into NATO.

Swedish neutrality historically

Although Sweden had been a neutral nation for over one hundred years, the reality of a steadily growing Soviet threat was creating a new awareness, especially among Swedish military circles: in a coming military conflict, a Swedish declaration of neutrality — or, as the doctrine is officially known, “non-alignment during peace, aimed at neutrality during war” — was not necessarily an assurance that Sweden would actually remain out of a future conflict. This resulted in a rather heated debate among military and political circles as to the wisest policy to be followed.

Sweden had always maintained close ties to Finland. Until 1809, Finland had actually belonged to Sweden, after which **Metternich**, in behind-the-scenes manipulations at the 1815 **Congress of Vienna**, confirmed Russia's conquering of Finland. Sweden's new King, **Karl Johan Bernadotte**, had to be satisfied with receiving Norway from Denmark as thanks for his practically negligible contribution in defeating **Napoleon**.

Nevertheless, even after 1815, the Swedish oligarchy maintained its interest in Finland and Finnish affairs, as best it could, hoping to utilize its influence in maintaining a certain modicum of freedom for the Finns vis-a-vis the Russian Empire. After 1918, when Finland acquired its independence from Bolshevik Russia, this became a somewhat easier task. For the most part, the Swedish oligarchy still considered Finland as part of their “sphere of influence,” although that influence was dependent upon the leeway given by “big brother” in the East.

After World War II, Sweden therefore chose to maintain its position as a neutral power, hoping thereby to mollify the Soviets by creating a large buffer zone between Russia and the NATO Alliance. The Soviet stranglehold on Finland succeeded in bringing about a political decision which military considerations did not justify. The Soviets have known how to use that psychological weakness in the Swedes over the Finnish question, in order to manipulate the political situation to their advantage.

During the postwar period, the Social Democratic government of **Tage Erlander** did everything to mediate Soviet entry into Western political circles. Erlander's famous meetings during the 1950s at the Swedish prime minister's summer house at **Harpsund**, with noted guests like Soviet Premier **Nikita Khrushchov** and Foreign Minister **Andrei Gromyko** and their Western counterparts, helped to create the “back-channels” which have served the Soviets to the present day as important points of contact for influencing Western policy-making circles.

The **Erlander** visit to Moscow in 1956, at the height of the Cold War, helped to give an air of legitimacy to the Kremlin bosses, at a time when they were steadily losing credibility in the West. Key Swedish elements of

the “**Trust**” [See *Chapter III, Section 2.*] helped to set up major trade deals with the Soviets. The first major postwar economic agreement between Sweden and the Soviets was signed already in 1946.

The close trade relationships would later serve as a cover for leaking highly sensitive technology to the Soviets, a subject of heavy American criticism during the 1980s. During the early post-war period, Sweden was one of the Soviet Union's six major capitalist trading partners.

The attitude of the Swedish oligarchy was, however, not completely that of appeasement. During the entire post-war period, Sweden maintained one of the highest rates of per capita defense spending of any country in the world. The high-technology capabilities of the Swedish metallurgical and engineering industries were built up to design a new class of fighter planes every other year. Universal conscription provided a steady stream of trained manpower for the military forces. Throughout the 1950s, a large atomic bomb project was funded, which continued covertly after the official decision not to build the bomb was passed.

Collaboration with NATO countries, especially their Scandinavian NATO neighbors, Denmark and Norway, was at its height, with Sweden providing a good deal of military hardware to the Norwegian and Danish forces. It was generally recognized by the Swedish military, that any military threat to Sweden would only come from the East, and although Sweden was not a member of NATO, it was only thanks to a functioning Western Alliance that Sweden could maintain any kind of deterrent to Soviet aggression. Without that critical factor, Swedish neutrality became a chimera.

Norway's and Denmark's “special relationship”

Both Norway and Denmark had been occupied by the Germans during the war, with the treatment of the Norwegians somewhat more brutal than of the Danes. The vivid memory of the occupation created an understanding that post-war defense arrangements must provide them with a real capability of fending off the danger of such a thing ever happening again.

In the case of both these countries, the Soviets had been careful to maintain portions of Norwegian and Danish territory as leverage for negotiating the post-war military arrangements of these countries. In the case of Norway, Soviet troops had occupied the northernmost province of **Finnmark**, which they had seized from the Germans. The final Soviet pull-out in the autumn of 1945 was preconditioned on Norway allowing Finnmark, the only province bordering the Soviet Kola Peninsula, to remain effectively a demilitarized zone.

Soviet troops had also occupied the Danish island of **Bornholm** in the middle of the Baltic Sea, despite the fact that the German forces stationed there wanted to surrender to the Americans or the British. The Soviets remained on the island until 1946 (!), and did not return it to Denmark until Denmark indicated that it would never allow the stationing of foreign troops on the island — significant concessions in themselves, but the Soviets were not satisfied with these simple measures.

The Soviets were not in any position to force Norway and Denmark out of NATO; they therefore attempted to limit the effectiveness of that engagement, by forcing them to place restrictions on their own NATO membership. The hyper-sensitivity toward the Soviets of the Norwegian Social Democratic government of **Einar Gerhardsen** made the Russian blackmail much easier.

In March 1949, in response to a Soviet question on the extent and nature of Norway's NATO commitment, the Norwegians clarified that they would not allow the stationing during peacetime of non-Norwegian troops on Norwegian soil. Under Soviet pressure, Norway also agreed to move its northernmost military base — where pre-positioned heavy equipment would be placed for the NATO reinforcements coming to Norway in the event of a military conflict — from **Troms** in the north to **Trondheim**, 850 km further south. In the critical **Finnmark** area, further north than Troms, there are today stationed a pitiful 1,500 troops — in an area of 48,000

sq.km., and with a common border to the Soviet Union of some 150 kilometers.

The so-called "**low tension policy**" in northern Norway, which area would fall under Soviet domination in the first hours of military conflict, is a good example of the appeasement attitude which characterized much of Scandinavian post-war policy. In 1957 — also in response to a Soviet inquiry — the Norwegians agreed to ban all nuclear weapons on its soil during peacetime. Denmark agreed to similar stipulations in 1958.

Kola: Soviet arsenal for nuclear war

In the context of these advantageous political arrangements, the Soviets were able to build what is now the greatest concentration of military power anywhere in the world right next door to Finnmark on the Kola Peninsula. From the Kola, the Soviets can move out through the Barents Sea into the North Atlantic year-round.

Aside from a possible break-out of the Soviet Baltic fleet through the narrow straits separating Denmark from Sweden, the Kola is the only Soviet area with direct access to the open sea. The naval bases on the Kola peninsula are the home of the Soviet **Northern Fleet**, the largest of the four fleets in the Soviet Navy, containing 66 percent of their total strategic nuclear carrying submarines.

These nuclear missiles are targetted on the United States and represent the U.S.S.R.'s second strike reserve.

In the "maximum option" of **Marshal Nikolai Ogarkov's** Nuclear War Plan, an initial barrage of land-based nuclear missiles, and submarine-based missiles positioned off the U.S. coast, would devastate the eastern seaboard of the United States, while an assault is launched against Western Europe. The submarine force would at the same time denotate nuclear explosions over the U.S. missile silos, creating an electromagnetic pulse in the atmosphere, and thereby preventing U.S. missiles from ever getting out of their silos in time (the pin-down effect). This scenario requires that the Soviet Union retain a second-strike potential with which it can threaten the United States to refrain from any possible counterattack.

The Soviet nuclear ballistic missile submarines (**SSBN**) of the Northern Fleet are the "trump card" essential to the entire first-strike scenario. The Soviet SSBN forces are only nominally part of the Soviet Navy insofar as the Naval Command is responsible for their upkeep, but they are operationally part of the Strategic Nuclear Forces, under the direct operational command of the General Staff. These forces would be deployed out into the Atlantic or under the Arctic ice for nuclear strikes against the U.S.

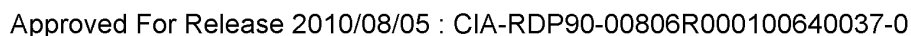
Protecting them involves extensive denial of any U.S. or NATO anti-submarine warfare (**ASW**) deployments from the Norwegian or Barent Seas. The Soviets have two strategic nuclear submarine bases on the Kola, as well as seven other major submarine bases. The **Gremikha Naval Base**, discovered by satellite photographs in 1985, was constructed to service the 200-meter long **Typhoon** submarine, the most modern of Soviet naval weaponry.

The Northern Fleet includes 110 nuclear-powered submarines, including all the Typhoons, some 36 cruise-missile submarines, and the most modern of the Soviet nuclear attack, or "hunter-killer," submarines. The fact that *all* of the Soviet Typhoons are stationed on the Kola is significant. Each Typhoon carries missiles with 9 nuclear warheads as opposed to the old Delta-class submarines which carry missiles with only 3 warheads.

This force would primarily be used as a second-strike force against the United States from locations under the Arctic ice. Those submarines must be protected at all costs. The first priority for the Soviets will be to secure total hegemony over the area of jeopardy to these submarines, an area including the Barents and Norwegian Seas — and the adjacent coast of northern Norway. The full extent of the Soviet military build-up on the Kola is, however, even more mind-boggling.

Although total Soviet air power on the Kola is not as overwhelming as the Soviet naval forces, it is calculated that roughly 30 percent of the Soviet intercontinental strategic bomber force is dependent upon Kola and adja-

■ ■ ■ ■ Dotted Line = White Sea-Baltic Canal



cent forward-operating locations. The Soviets have built at least 22 all-weather airbases with runways exceeding 1600 meters and two strategic nuclear bomber bases, including one nearing completion, with a runway 4,600 meters long — capable of accomodating the new Soviet **Blackjack** intercontinental bomber. The **Blackjack**, expected to be in production by 1988, can carry cruise missiles.

As the Kola is located beneath the shortest flight path from the major Soviet air bases to the United States, it will undoubtedly play a very important role for Soviet intercontinental bombers — although these bombers would probably have forward operating locations further north in the Arctic.

The Kola also has 18 secondary airfields. In a matter of hours, prior to a military conflict, an incredible amount of Soviet aircraft could be flown directly from other parts of the Leningrad Military District to the Kola for immediate operational deployment.

In addition, there is one theater-nuclear-missile launch-complex (with a target-range covering most of northern Scandinavia down to a line cutting Trondheim in Norway and Östersund in Sweden), 70 strategic air-defense SAM complexes, 2 strategic early-warning and target-acquisition radar complexes, and the pre-positioning and deployment infrastructure for one front-level army and several additional installations.

The Kola possesses 27.3 percent of the total Soviet arsenal of strategic intercontinental launch platforms, 21 percent of the total Soviet strategic intercontinental warhead inventory, and 15.6 percent of the total Soviet strategic intercontinentally deliverable equivalent megatonnage (EMT). In the words of one observer, "If World War III broke out, it is quite possible the Soviet Union would largely fight it from Kola."

The **Norwegian Foreign Policy Institute** estimates that roughly 20 percent of Soviet offensive strategic nuclear forces are deployed to, or dependent upon, Kola bases, and roughly 20 percent of Soviet defensive strategic forces are deployed to the Kola area. Defensively, the Kola plays a primary role in tracking and destroying U.S. strategic ballistic missiles or strategic intercontinental bombers coming over the Arctic region, and in destroying U.S. or NATO ASW capabilities in the Norwegian Sea.

One might presume that building one's largest military base of operations just a few hundred kilometers away from enemy territory would be a rather risky venture. The Soviet capability to deploy its submarine fleet in an attack on the West would be seriously jeopardized, if the forces of the NATO Alliance (alone or in collaboration with Sweden) had the capability to roll-back or even to significantly impair such an operation.

But the Soviets have indeed precluded such an eventuality through the political agreements (written and un-written) made with the Scandinavian countries. Any attempts to undermine these agreements, or to force a shift in Scandinavian military posture, would be viewed as a serious threat to the Soviet capability of launching war on the West. The Soviets would not stop at any lengths in order to prevent such a shift from taking place.

Soviet Scandinavian policy founders

But the Soviets were not satisfied simply with the extremely advantageous situation which they already possessed in the North. During the 1970s, they pursued a dual strategy, with which they hoped to secure an even greater advantage. By 1975, the Soviet General Staff, under the skilled hand of **Marshal Ogarkov**, had completed plans to reform its military strategy along the lines of Ogarkov's *Blitzkrieg* doctrines, based on the notion of achieving and exploiting Soviet military supremacy in the post-SALT era.

On the one hand, the total reform of the Soviet military apparatus and the final build-up of the military capabilities on the Kola Peninsula were accelerated. At the same time, they had to assure that this offensive build-up did not lead to countermeasures on the part of the West. In order to set up a smoke-screen around their real aims, they created the peace movement in the West to spread the illusion that the Soviets wanted peace and disarmament.

The Swedish Social Democracy under Palme served as a major springboard for Soviet propaganda operations. In 1980 the **Independent (!) Commission on Disarmament and Security Issues** (generally known as the **Palme Commission**) was established, with Palme as chairman. The Commission served the purpose of floating various Soviet "peace proposals," such as the notorious nuclear-free zone proposal.

In 1976, Palme's government was thrown out of power. This ended an unbroken 44-year period of Social Democratic control in Sweden. The new non-socialist three-party coalition government which came to power awakened new hopes for a shift of policy in all areas of social and political life.

The left-wing dictatorial methods of the Palme government could now be dismantled: the abuses in the areas of education, the rapid spread of the rock-drug culture, the oppressive levels of taxation, the bureaucratic abuses in civil and legal rights of the citizens, and most significantly, the tremendous cut-backs in defense spending — all this could now be reversed. Such were the hopes. The reality proved to be quite different.

During its 44 years of state power, the Social Democracy had established a network of institutions, independent or semi-dependent on the current government in power — the trade unions, the cooperative associations, as well as the state bureaucracy — which represented something of a state within the state. This included the maintenance of a Social Democratic intelligence network independent of, but partially interfacing, the official secret services. The 44 years in power had helped to entrench this machine in its position. The refusal of the new government to totally dismantle this monstrosity assured that the "breathing space" which it created by ousting the Social Democrats, would be short-lived.

A Russian Whiskey on the rocks



"Russian submarine on the rocks of Karlskrona," the first newspaper advertisement posters trumpeted.

In 1981, the Soviets experienced a somewhat tougher tone from the new government than that expressed traditionally by the Social Democrats. In October of that year, a Soviet Whiskey-class submarine foundered on the shoals outside the naval base of Karlskrona.

Obviously on some mission in Swedish waters, it maneuvered itself onto a rock while in half-submerged position, and could not dislodge itself. For years the Swedish Navy had monitored foreign subs in its waters, without ever being able to take any action against them or to unequivocally identify the nationality of the intruder. Now, for the first time, clear-cut evidence of such Soviet violations was there for all the world to see.

And see it they did — on television, in the papers, even on postcards which were printed up with the world-famous picture of the Whiskey submarine. Protests were launched, inquiries made, questions asked. The Soviets reacted hysterically by forcing the recall of the Moscow correspondent of the Stockholm newspaper *Dagens Nyheter*. The Swedish government responded, somewhat unexpectedly, by expelling one Soviet diplomat and refusing an entry visa to another.

A further jolt was given to Swedish-Soviet relations with the collapse of negotiations, which were to regulate the respective fishing and economic exploitation zones in the Baltic Sea. The Soviets were demanding that Sweden redraw the line marking the boundary between the Russian and Swedish economic zones, along a line midway between the Russian Baltic provinces and the Swedish mainland.

The Soviet demand ignored the existence of the large Swedish island of **Gotland**, located way-out in the Baltic Sea. The Swedish government refused such an absurd proposal, and the talks were broken off. Relations between the two countries remained strained. During the course of 1981-82, the Swedish press continued to report on the ever more frequent sightings of unidentified foreign submarines in Swedish territorial waters.

In 1982, the Soviets suffered another set-back on their northern flank when the Social Democratic government of Norway, headed by Palme Commission member **Gro Harlem Brundtland**, was replaced by a non-socialist three-party coalition under Conservative Party leader **Kaare**

Willoch. The foreign and defense policy orientation of the Willoch government was very concerned with upgrading Norwegian defense capabilities in the face of the massive Soviet military build-up on the Kola.

That same year, Palme was brought back into power in Sweden. The Soviets saw this as a chance to pressure the Palme government to quell the rather uncomfortable debate ignited by the Whiskey incident and to reassert their unquestioned military and political hegemony in the north. This required the Soviets to beef up their diplomatic offensive, and a few days after the 1982 elections in Sweden, one of Moscow's top political operatives, **Boris Pankin**, arrived as ambassador to Sweden.

On October 1, 1982, the day after Pankin presented his credentials to the Swedish King, two Swedish navy conscripts spotted the periscope of a submarine from the deck of *Halland*, Sweden's last destroyer, which was just being taken out of active service that same day. The submarine was obviously on its way into **Hårsfjärden**, a bay near Sweden's top-secret naval base of **Muskö**, in the inner archipelago south of Stockholm. The area was immediately sealed off with mines and the submarine was trapped in Swedish waters. A major submarine hunt was initiated.

The Swedish Navy reported Oct. 7 that the trapped submarine might be preparing to break out through the northern part of Hårsfjärden. Seven depth charges and three mines were detonated, before a ceasefire was suddenly ordered. According to the West German newspaper *Die Welt*, the cease-fire order was given by Palme personally. Swedish military personnel involved in the hunt reported that they were directly prevented by the government from moving in on the intruder.

The Swedish Navy remained on full alert for a period of days. The incident was covered extensively in the daily papers. Citizens were setting up groups to watch the coastal areas for the appearance of new Soviet submarines. People were demanding action. One way or another, Palme had to act. Palme was forced to appoint a Parliamentary Commission of Inquiry, to determine the nationality of the Hårsfjärden intruder, and to draw some conclusions on the increasingly frequent submarine incursions. The commission was headed by **Sven Andersson**, former defense and foreign minister in previous Social Democratic governments.

In April 1983, the Commission confirmed that the Hårsfjärden submarine was indeed Soviet. Palme, faced with irrefutable evidence of a Soviet violation of Swedish waters, and with a growing concern over Soviet intentions even within his own party, made a formal protest to Moscow. Moscow rejected the Swedish allegations of a violation of Swedish territorial waters by Soviet submarines, and Sweden suspended all political and military visits between the two countries. A "Cold War" between Sweden and the Soviets became a reality.

In September 1983, Palme spoke of "tensions" between the two countries due to "*serious violations of Swedish territory in recent years*." He also insisted that Sweden could not "kowtow to the superpowers," adding that Sweden "should not be afraid of asserting our national interests in the form of direct exchanges with the Soviet Union." The cold war developing between Moscow and Stockholm was unlike anything Palme had to cope with previously.

In January 1984, the Soviets were dealt another major blow in Scandinavia. Arne Treholt, undoubtedly the most important Russian spy in Scandinavia during the post-war period, was arrested by the Norwegian security police at Fornebu Airport in Oslo. At the time of his arrest, Treholt was the press spokesman for the Norwegian foreign ministry. [See *Chapter I, Section 1.*]

Soviet arrogance exposed

Shortly after the January 1984 meeting of the Palme Commission, **Georgii Arbatov** wrote a letter attacking Palme for being too "soft" in his attacks on the U.S. in the original draft of a Palme-Brandt Commission communique, and advised Palme to revise it. He also recommended that Palme confer with **Pankin** in Stockholm.



Aleksandr Bovin, a commentator expressing the views of the Soviet politbureau, demanded that Palme censor anti-Soviet expressions in the mass media.



UN Ambassador Anders Ferm (left), one of Palme's boys, had back-channel talks with Palme Commission members Arbatov (center) and Milshtein. He was told Moscow will never admit violations of Swedish territory.

Later in March, Soviet Politbureau mouthpiece **Aleksandr Bovin** published an article in the Stockholm daily *Dagens Nyheter*, in which he demanded that the Palme government begin to censor the anti-Soviet statements expressed in the Swedish mass media. "Stable, good relations between states demand that the relations in question are necessary and fruitful, not only at the level of government, but also on other levels," explained Bovin.

This requires, continued Bovin, that those politicians who are interested in promoting good relations must have an interest in "developing a corresponding public opinion in their own country. *To accomplish that, there exist methods which are far from commanding.*" (Emphasis added.) The Soviets were undoubtedly becoming extremely nervous about the direction politics was taking in the formerly "controlled environment" on the Northern Flank.

One month later, the Soviets added grist to the mill when a Soviet fighter plane violated Swedish airspace, and for several minutes tailed a Swedish airliner with 276 passengers aboard. This occurred in the airspace of the island of **Gotland**, not far from the area which the Soviets contend should be part of their Baltic economic zone. The Swedish government protested, while, at the same time — apparently following Bovin's censorship advice — attempting to hide news of the incident from the Swedish public. The protest was rejected by Moscow, which denied the whole incident. Moscow's message was clear.

The total effect of these steadily mounting provocations brought the climate to a boiling point. Government polls taken during the second half of 1984 revealed that around 83 percent of the Swedish population now considered the Soviet Union a hostile power. Palme was caught in a crossfire.

On November 13, Swedish ambassador to the United Nations, **Anders Ferm**, a personal friend of Palme and former secretary of the **Palme Commission**, delivered a sharp attack against Soviet policy in Afghanistan, accusing the U.S.S.R. of failing to live up to its responsibilities as a permanent member of the UN Security Council and displaying "arrogance of power based on military superiority" towards smaller countries.

Ferm had earlier come under fire when he, on Palme's advice, had taken contact with **Arbatov** concerning the submarine incidents. Ferm wrote a letter to Palme about his discussions with Arbatov and **KGB General Mikhail Milshtein**, both members of the **Palme Commission**. Ferm, however, had not used the normal foreign ministry channels to transmit the letter to Palme, but instead sent the letter privately. When the press got wind of this, it became a major scandal. Palme was finally forced to read the letter on television in order to calm the storm which was then brewing. He did not, however, read the entire letter as he then claimed. When this was discovered, it created an even greater scandal.

The portions of the letter which Palme tried to withhold from the public later seeped out to the press. In the excluded portions, **Ferm** mentioned that **Milshtein** had said that the *Soviets would never admit that they had violated Swedish territory, even if they were faced with irrefutable proof.* The whole incident was characterized as typical of the way Palme would kowtow to Moscow. Now this same Ferm was making a major attack on the Soviets for their "arrogance of power." The times were changing — as was the political situation which Palme was facing.

Never before had the Palme government, long a malleable tool of Soviet operations, been forced into such a head-on conflict with Moscow. Moscow was moving to force Palme into line. But if Palme succumbed to Soviet pressure under conditions of growing public rage at Soviet provocations, he would commit political suicide. That Palme was not prepared to do.

Swedish officers' revolt

On June 2, 1985, the Soviet Central Committee publication *Sovietskaya Rossiya* delivered a scathing attack on Sweden, for "the systematic and concerted attacks against the U.S.S.R." in the Swedish press. In early August, First Vice Minister of Foreign Trade of the Soviet Union, **Viktor Maltsev**, a key operative in the Soviet disinformation networks together

with Pankin, came to Sweden on Palme's invitation to try to "normalize" the relations between the two countries.

Pierre Schori, top Palme operative and foreign ministry undersecretary, announced that Palme had accepted an invitation to visit Moscow in the Spring to "strengthen bilateral relations and defend our national interests." [See Chapter I, Section I.]

On Aug. 5, 1985, *Svenska Dagbladet* ran a story on how 113 Swedish pilots had been visited by Polish art-merchants in recent years. The conclusion of the Swedish security services was, as *Svenska Dagbladet* reported, that the habits and the living quarters of the officers were being mapped out by East Bloc intelligence services, so that they could be liquidated hours before the outbreak of a war.

The article reported that, on two occasions, in 1979 and in 1981, the police arrested groups of roving Polish "art salesmen" **Chief Prosecutor K.G. Svensson** said he had proof that the group in 1979 was involved in espionage. Maps of airfields, roads, bridges, mobilization areas, as well as suitable landing areas, were found in the possession of these "salesmen."

The case could not be brought to trial, however, since Svensson could not identify which of the salesmen had drawn the map. This was followed later in the year by further exposés in the Swedish press of how Russian Spetsnaz elite units would function prior to the outbreak of a war.

Moscow's increasing demands on the Swedish government were creating a situation in which even top military officers could no longer keep silent. Contradictory and weak responses to the increased Soviet provocations, combined with major cutbacks in Swedish defense spending, were creating an untenable situation, and the anger was growing.

This had already become apparent in the aftermath of the **Hårsfjärden** incident, when a company of Swedish helicopter pilots assigned to anti-submarine operations resigned en masse, in protest against the government's refusal to let them take measures to force the subs to surface.

In Aug. 1985, even the Swedish Air Force Chief himself felt that he could no longer keep silent. In an interview published in the Swedish daily *Expressen*, **Lieutenant General Sven-Olof Olson** announced that "the Soviet Union has recently made a dramatic shift from a defensive to an offensive posture" in the Baltic and Leningrad Military Districts (which include the entirety of Scandinavia).

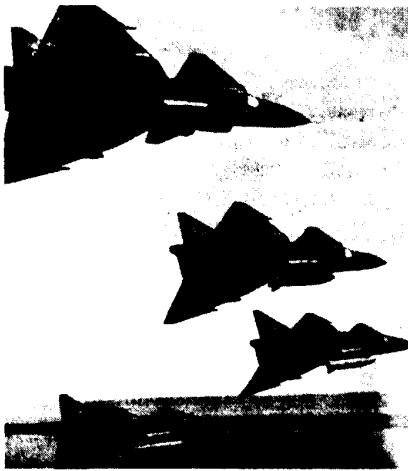
The Air Force Chief motivated his statements by saying that "my duty to the nation demands that I reveal this information." He revealed that Swedish military intelligence had informed him of a major Soviet Air Force build-up around the Baltic, with the addition of 8 new air regiments (around 400 aircraft) on the Northern Flank, including the SU-24 fighter-bomber, which could fly from the Baltic to England (or northern Norway) without refueling.

Lt-Gen. Olson wanted more Swedish *Viggen* jet fighters in order to meet this threat. The Swedish Air Force had requested 330 *Viggens*, but had received only 280. Olson wanted at least one more squadron of *Viggens* for Swedish air defence.

A significant shift was also occurring at the same time in Norway. In a series of articles in the Norwegian daily *Aftenposten*, **Jan Ingebritsen**, former head of Norwegian military intelligence, in outlining the Soviet build-up on the Kola questioned the wisdom of Norway's maintaining a "low-tension" policy. Ingebritsen floated a proposal originating with U.S. **Secretary of the Navy, John Lehman**, that permanent U.S. or British naval units be stationed in the Norwegian Sea area to impair any possibility of the Soviets breaking out of the Barents Sea in a surprise attack.

Ingebritsen concluded, that it were better with a higher level of tension and a proper defense, rather than a low level of tension and no defense. Such a shift of orientation in defense policy on the part of Norway could seriously impair Soviet plans for a surprise attack in the West.

Had this issue become the major focus of the election debate (elections were held in September, 1985, both in Sweden and in Norway), it might have decided the outcome. At a very late stage in the election campaign,



Air Force Chief Lt-Gen. Sven-Olof Olson exposed the Soviet Air Force build-up around the Baltic, demanding more *Viggen* fighters for Sweden's air defense.



Willoch did begin a major attack on the **Arbeiderpartiet**, the Norwegian Social Democracy, for being a security risk if it came to power, because of latent, but widespread, anti-NATO opinion within significant sections of the party.

Too little, too late

This was unfortunately a classical case of "too little, too late." The non-socialist government of **Willoch** won the elections in Norway, although with a slight margin, losing primarily on the basis of a disastrous economic policy in the midst of the collapse of the oil prices — a prime source of tax revenue for the Norwegian government.

In the Swedish elections, none of the opposition parties dared to touch the defense question for fear of being attacked for wanting a shift from the traditional Swedish neutrality policy. **Palme** succeeded in retaining his grip on the government, although with considerable losses compared to the elections of 1982. On the eve of the elections, the Swedish government confirmed that a Soviet bomber had violated Swedish airspace in July, a considerable embarrassment for **Palme's** traditional pro-Soviet policy.

Swedish Navy **Commander Hans von Hofsten**, the head of the Navy Staff's Nautical Department, in an interview with Swedish Radio said, that **Palme** lied when he said in his government declaration that Sweden had created respect for its borders. Until October 1982, **Hofsten** had been the commander of Sweden's last destroyer *Halland*, from the deck of which two navy conscripts — during the destroyer's very last day of active service — had observed the Soviet submarine periscope that led to the great submarine hunt in **Hårsfjärden**.

Hofsten was followed by a dozen of Swedish officers, who gave press interviews elaborating the themes **Hofsten** had addressed in his interview. **Palme** was suddenly faced with an officers' revolt. **Palme** attacked **Hofsten** for being an alarmist, but because of mounting concern in the Swedish military, as well as among the general population, he had to pledge to defend Sweden's territorial inviolability during his upcoming Moscow visit, and to ensure that the message would not be lost on the Kremlin.

Pressure to force **Palme** to shift policy was also coming from another direction. In the fall of 1985, **President Ronald Reagan** had appointed **Gregory Newell** as American ambassador to Sweden. The **Newell** appointment was an attempt to begin a campaign of active diplomacy in order to upgrade relations between Sweden and the United States.

Concern for the situation in the northern flank of Europe was growing in Washington, both with respect to the military-strategic situation as well as the role Sweden was playing in transferring sensitive technology, which would be used for military purposes, to the Soviet Union.

Until 1968, Sweden had been involved in the so-called **COCOM** agreements, by which the respective nations agreed not to permit the transfer or sale of military-related technology to East Bloc or East Bloc allied countries. Since 1968, Sweden had not been a part of the **COCOM**. The U.S. was attempting to convince Sweden to institute some form of regulation to prevent the transfer of sensitive technology through Sweden to the Soviets and the East Bloc. During the 1980s, the U.S. had criticized Sweden for the "leaks" of such technology to the East Bloc.

Failure to renew could mean that Sweden would be boycotted from receiving this type of technology from the U.S., a measure which could have serious consequences for Swedish industry. **Newell's** purpose was, in his own words, "to reduce differences, and work more constructively and harmonically and, at the same time, more discreetly" in order to create a qualitative improvement in relations.

In June, 1986, **Newell** himself indicated how far advanced these negotiations were at the time of the **Palme** murder. He said a shift was developing towards a more "quiet" diplomacy between Sweden and the United States, and, even at one point, the possibility of a personal meeting between **Palme** and **Reagan** was mooted, although there were still major obstacles in the way of such a meeting. Definite progress was being made, as was indicated by the fact that Sweden agreed again to abide by the **COCOM** agreements.

On June 17, four months after the murder of Palme, **Newell** himself was involved in an incident which has all the earmarks of an assassination attempt. In the evening, Newell, together with the Mexican ambassador to Sweden, was a guest at the home of **Bo Ax:son Johnson**, a leading family since 1917 of the Swedish branch of the "Trust."

Two men armed with what appeared to be high-powered rifles were discovered in the grass outside the Johnson estate. Newell's body-guard fired three shots, but the gunmen ran through the woods and escaped on a motorcycle. After the initial story had run for a few days in the Swedish press, the case disappeared from the public view, and — in all likelihood — no serious investigation of the incident was undertaken.

Prelude to murder?

In January 1986, the Soviets took out their political "heavy artillery." In an article by **Yuri Denisov** in the Soviet English-language publication *International Affairs*, entitled "U.S.S.R.-Sweden: To Promote Good Neighbourliness," Denisov outlined the history of Swedish-Soviet relations since 1917. Soviet concern over the development of this relationship since the beginning of the 1980s was, however, the major subject of concern in the article.

Denisov (a pseudonym used to depict Soviet government circles) expressed his concern over "the aggravation of the international situation at the turn of the 1980s," which he feared "cast its shadow on Soviet-Swedish relations and slowed down their progress." In a not-too-veiled threat, Denisov complained about the uproar over "the far-fetched 'submarines issue,'" which, he claimed, "blinded quite a few Swedish politicians to the prospects for these (Soviet-Swedish) relations, *important as they are for Sweden*." (Emphasis added.)

Denisov's Mafia-like message to the Palme government was then made crystal clear: "Troubles in Soviet-Swedish relations also made themselves felt after the Palme government came into office in 1982." Warned Denisov: "Although the government's programme statement did refer to its intention to improve relations with the Soviet Union, *it failed to take consistent and decisive practical steps in this direction*." (Emphasis added.)

With a clear reference to the Swedish military-policy debate, **Denisov** stressed that in the eyes of Moscow, the greatest effort that Sweden could make to dampen Soviet criticism would be "to reaffirm its policy of neutrality (despite the fact that in that country itself and across the Atlantic there are some forces that would push it off that track)." Not only good-neighborly ties on the diplomatic level, but "full-scale ties between governments, parliaments, and public organizations." This included stopping the press exposés about Soviet covert operations in Sweden.

This, however, was not such an easy demand for Palme to deliver on. That same month, **Commander von Hofsten** went again on the offensive writing a series of articles in *Dagens Nyheter*, in which he stressed the similarities of the present situation with that existing immediately prior to World War II.

Hofsten declared unequivocally that the danger facing Sweden came from the East, pinpointing the Soviet **Spetsnaz** capabilities and the real danger of a surprise attack by "a foreign power which is intensely occupied with preparing sabotage against Sweden through espionage, planning of murders, and submarine operations, which give them routine security for planned attack regardless of the season or time of day." Hofsten added that his description of the situation was simply a popularized version of what the Parliamentary Commission on Defense had already presented in 1984.

In January 1986, the Swedish Commander-in-Chief himself intervened in the debate. **General Lennart Ljung** presented a report to the government stating that there were 15 "certain" indications of submarine activity in Swedish waters during the fourth quarter of the previous year, including one to three foreign submarines in the inner waters of the Stockholm archipelago.

In a television interview, **Ljung** was asked what he thought about the "officers' revolt." He said that he understood the concern among the junior

officers when faced with major cut-backs in defense spending, but that he would not go so far *as some officers had done*, and propose that Sweden should join **NATO**. For the first time, the hitherto taboo issue of Sweden joining NATO — as proposed by the Swedish European Labor Party — had been publicly addressed by the Swedish Commander-in-Chief.

The Norwegian Commander-in-Chief, **General Fredrik Bull-Hansen**, reflected a similar concern in a seminar held by the **Atlantic Committee** in Oslo on February 6. Far more outspoken than Ljung, Bull-Hansen defined the Northern Flank as “a forward defense area for Mother Russia.” Said Bull-Hansen: “Military operations will be moved as quickly as possible, and if possible, in advance, to the enemy’s territory. This is why the Soviet Union has established ‘buffer zones’ in the south and west to protect the homeland. One of the roles of the Soviet Navy is to maintain such a buffer zone in the Norwegian Sea.”

Bull-Hansen stressed that the Soviets are making a massive build-up on the Kola Peninsula, in order to realize **Peter the Great’s** ambition to break Russia out of its position as a landlocked nation. For this reason, Bull-Hansen explained, Norway has to spend more for defense than other countries. In a swipe at the traditional Norwegian low-tension policy in northern Norway, Bull-Hansen warned that “the Nordic countries have already extended themselves in far-reaching restrictions on their military forces. But it is doubtful whether further unilateral measures would influence the Soviet leadership to reduce the military capacity which has been built up at such great cost.”

The Soviets retaliated with a spate of attacks on Bull-Hansen, Hofsten, and Ljung, as well as threatening the Swedish government against acting on these proposals. The Soviet news agency *Novosti’s* Sweden expert, **Igor Pavlov**, called Commander Hofsten “delirious,” and accused him of trying to poison the climate prior to Palme’s official visit to Moscow in April, and to “cast a shadow” over the current improvement in Swedish-Soviet relations.

The real salvo came, however, in an international press conference in Moscow on February 11, where the deputy press spokesman of the Soviet foreign ministry, **Vladimir Morozov**, read a prepared statement on the question of Soviet-Swedish relations. Morozov attacked “right-wing and military elements [who] are continuing a campaign hostile to the Soviet Union which slows down the development of stronger relations.” Here also Morozov designated this campaign as an attempt to sabotage the Palme visit to Moscow.

But it was not only the military attacks which were worrying the Soviets. In February, the Swedish government, obviously as a result of the **Newell** diplomacy, decided that the **COCOM** agreements would be adhered to. The Soviets were absolutely furious at this measure.

Sweden’s Minister of Foreign Trade, **Mats Hellström**, announced Sweden’s adherence to the **COCOM** agreements, in an article in *Svenska Dagbladet* on February 28. “The government decision,” writes Hellström, “means that foreign-produced high-technology goods which are subject to export restrictions in the producer country may not be exported from Sweden if permission is not received from the producer country.” That evening at 11.21 p.m., Swedish Prime Minister Olof Palme was shot in the back and killed. Palme was at the time — for some mysterious reason — under no security protection whatsoever. The killer escaped without a trace.

The “Trust” and “Northern Route” Bolshevism

The investigation into the role of the Soviet secret services in the assassination of the late Prime Minister Olof Palme leads to a mysterious network, or rather, nest, of banking and corporate interests. The trail must be traced to Stockholm, Copenhagen, St. Petersburg, Berlin, Venice and other centers in the period of World War I. The relevance for today's investigation will become clear as the story unfolds.

The actual circumstances under which the exiled Bolshevik leadership came from Swiss exile during World War I, by train through wartime enemy territory of Imperial Germany, thence by boat to Trelleborg, Sweden and then Stockholm, and on to St. Petersburg (Leningrad) cannot be understood without knowing the “Western friends” who helped **Lenin** and his circle to grab the reins of power.

According to relevant police and government archives as well as other detailed accounts, the real history of how the Bolsheviks grabbed control of state functions in war-weary Russia in 1917, is far different from romantic accounts which have persisted. There is good reason why the romantic version of the Bolshevik coup d'etat of November (October) 1917 persists. It is essential cover to obscure the far more dangerous network of *Western* interests which helped to create and run the 1917 coup.

As will be seen, the exact same networks, operating through the same corporate and banking channels, are active to this day in not only trading with the U.S.S.R., but in much more. Proper study of this significant historical period must include the role of the Western oligarchy in creating the preconditions for a revival of Russian Imperial ambitions, and the establishment of the old Czarist state religion in a modernist garb — the Bolshevik Revolution.

First, a brief discussion of the relevant history of the 1917 events, to clarify the present.

The Northern underground

According to available records, prior to Nov. 7, 1917, a phenomenally successful and equally mysterious Russian-born operative, named **Aleksandr Helphand-Parvus**, had received an amount in excess of 11 million gold Reichmarks (then equal to about U.S. \$2 mn.) from a secret account controlled by the German General Staff and the German finance ministry. Following the Bolshevik coup d'etat, records show, that on Nov. 8, 1917, the German finance ministry transferred another 15 million Reichmarks to the channels controlled by Helphand-Parvus, the Odessa-born financial “angel” of the Bolshevik cause.

Documents made public at the time by pro-Menshevik Swedish Prime Minister **Hjalmar Branting**, indicate that the Parvus funds were the source for the mysterious appearance of the well-financed Bolshevik party organ *Pravda*, in the weeks immediately prior to the November coup. With a daily run of 600,000 copies, *Pravda* agitated the Czar's soldiers on the German front to back **Lenin** in suing for immediate separate peace with Imperial Germany.

A German foreign ministry senior official at the time, **Kühlmann**, reported, that the funds were intended to aid the Bolsheviks to “get out their party organ *Pravda* and broadly expand their party base.” No doubt, some in the top ranks of the German General Staff and government in Berlin thought the bold backing of the Bolshevik option a necessary and clever method of subversive warfare, whose result would collapse adversary Russia in hopeless chaos.

But to view the events of the 1917 Bolshevik coup as a “German” project

would be a dangerous fallacy of composition. The project, which was finally to be "institutionalized" with the Bolshevik coup of 1917, was much older than the schemes of the German General Staff and foreign ministry. Both the 1905 and 1917 Russian revolutions were organized by the same complex of forces which established **Czar Alexander I's** Russia as the "policeman of Europe," under the terms of the 1815 **Congress of Vienna**.

The control-center for the 1815 Congress of Vienna, and the orchestration of the two Russian revolutions, was Venice. And it was Venice-centered Western oligarchical centers which collaborated with Russian Byzantine oligarchs to prepare the revolutionary destruction of the Czarist system, in order to avoid any dangerous constitutional reform already under way in Russia, and to create a new Gnostic battering-ram to be launched against the Western Judeo-Christian tradition.

These Venice-centered "Western" networks worked in close cooperation with those sections of the Russian aristocracy represented by the third section of the Czarist secret police, the **Okhrana**. After the October Revolution, the foreign intelligence section of the Soviet secret police, the **Checka**, and the "Trust" [see below], were organized by Parvus's pre-October staff, with a significant representation of former Okhrana officials serving in highly-placed Checka positions.

The man responsible for selling the "Lenin card" to the German General Staff and foreign ministry was **Dr. Helphand-Parvus**, then based in Copenhagen and Stockholm. The relevant background to Parvus' "Northern Scandinavian" underground is his connection to Venetian intelligence controller **Count Volpi di Misurata**, the controller of Italian fascist dictator **Benito Mussolini** in the 1920s. Among other things, Volpi saw to it, that Parvus was able to establish an immense patrimonial fortune for himself in pre-war Istanbul.

Parvus is the product of a network of operatives spawned in Odessa, Aleppo, Salonika and Venice, recruited for the "Trust" project which created Bolshevism. This pattern of ties between Venice, Odessa, and Scandinavia is a recurring feature in the present investigation. It is not only its system of canals and water ways which has earned Stockholm the appellation of "Venice of the North."

Nominally, Parvus was a remarkably successful millionaire, whose wartime export-import business in the Baltic expanded his already significant fortune. He also had help securing this fortune. Parvus established an export company in Copenhagen during the war. His managing director there was a Polish national named **Jakob Hanecki-Fürstenberg**. Affiliated to the Parvus operation in Copenhagen, was a "**War Research Institute**" set up by Parvus, which "employed" a number of the closest colleagues of **Lenin** and **Trotsky**, then in exile.

Parvus, one of the most notorious active "revolutionaries" of the 1905 Russian revolution attempt, author of Trotsky's so-called doctrine of "permanent revolution," and jailed together with Trotsky after the collapse of the St. Petersburg Soviet in 1905, where Parvus had been the last president, remarkably escaped to exile in Imperial Germany, where he took out Prussian citizenship.

Parvus, with help of one **Count Ulrich von Brockdorff-Rantzau**, German ambassador to Copenhagen from 1912-1918, persuaded the German government, in what may be one of history's most colossal blunders, the revolutionary cause of the Bolsheviks — on the promise and assurance they were "enemies of the Czar's war against Germany." Parvus and Count Brockdorff arranged Lenin's infamous "sealed railroad car" — along with other top Bolshevik leaders, including Radek, Zinoviev, and 29 others — in the April, 1917, journey from Swiss exile through wartime Germany into Sweden, and ultimately to Russia to carry out the Bolshevik coup against the British-supported Kerensky regime.

Parvus and his friend Count Brockdorff, later to become Weimar foreign minister and ambassador to Russia after the Bolshevik coup, themselves had no illusion about what they were doing. This was perhaps the most ambitious experiment in mass social engineering in history. Parvus and Count



Aleksandr Helphand-Parvus, a mysterious millionaire and businessman born in Odessa, Russia, sold the "Lenin card" to the German General Staff and foreign ministry. The result is known in history books as the 1917 Russian Revolution.

Brockdorff were operatives of an oligarchical-financiers' project known some years later as the "**Trust**".

One relevant question is, how was this man, Helphand-Parvus, who had a known record of revolutionary activity, who had been associated with international revolutionaries Lenin, Trotsky, and others, how was he able to pass, completely unhindered, between Berlin, Copenhagen, and Stockholm in the years 1915-1917? Not once did either Swedish or Danish police stop Helphand-Parvus, then travelling on a Prussian passport.

Parvus had cultivated, or been cultivated by, an influential circle of friends in high places. Danish Socialist Prime Minister **Thorvald Stauning** was an intimate friend of Parvus at that time. The fact, that Parvus had arranged a major financial windfall into the party coffers of Stauning's Social Democratic Party, by allowing their trade union group to break a British monopoly, and become the exclusive importer of coal into Denmark, no doubt helped. The fact, that the coal came from Germany and carried a proviso, that Stauning insure that Denmark not enter the war against Germany, was no doubt considered a reasonable *quid pro quo* by both Stauning and Parvus.

Significantly, Stauning agreed to remain prime minister during the Nazi occupation period in 1940. This pattern of alternating between Bolshevik and Nazi support is not unique, as will be seen later.

In Stockholm, too, Parvus was not without friends in high places. **Carl Lindhagen**, Social Democratic mayor of Stockholm from 1903 to 1930, played a crucial role in aiding his close friend Parvus and the Lenin group. Also invaluable was the Swedish Social Democratic party secretary of 1911-1916, **Fredrik Ström**. He became Soviet Consul General to Sweden during 1919-1924. Ström ensured safe conditions for building up what was to become one of the most important bases of operation of the Soviet intelligence establishment for the next 60 years.

The "Stockholm troika"

In April, 1917, the Bolsheviks established their "**Foreign Bureau**," to be run by a "troika" of three Polish-born activists. The three were Parvus' business partner **Jakob Hanecki-Fürstenberg**, **Karl Radek-Sobelsohn** and **Vaclav Vorovski-Orlovski**, the latter tied to the German **Siemens** firm and **Lux** in Sweden since 1915. The location chosen for this Bolshevik Foreign Bureau was Stockholm.

This troika ran the conduiting of German money to Bolshevik coffers in St. Petersburg before November 1917, and ran Bolshevik foreign operations after 1917. The channel for the conduiting of the secret funds to the Bolshevik project was run through bank transfers from a Berlin bank to Helphand-Parvus' company in Copenhagen. Parvus' partner Fürstenberg, at that time based in Stockholm, ran the funds through a special account in what was then called **Nya Banken**, run by a well-connected Swedish citizen of Russian origins, **Olof Aschberg**. Aschberg's partner was from the liberal Swedish publishing family, **Tor Bonnier**.

From Stockholm, the "Northern underground" funds went to St. Petersburg to the account of the **Siberian Bank**. Here, the funds were run through a special Siemens account, or via a **Nestle** account by Fürstenberg's St. Petersburg employee, **Yevgeniya Sumenson (a.k.a. Simmons)**. Sumenson, in turn, handed the funds to the Bolshevik St. Petersburg "troika," then consisting of **Mikhail Solomonovitz Uritski-Boretsky**, a close Trotsky intimate who lived in Stockholm and Copenhagen in 1914-1915, where he was based with Parvus' "War Research Institute;" **Metislav Kozlowski**, a Polish-born St. Petersburg lawyer, who was Lenin's liaison with Fürstenberg, Parvus, and Sumenson; and Siemens' **Leonid B. Krasin**, in charge of what Lenin called "proletarian expropriations," i.e., bank-robberies, weapons smuggling, and propaganda for the exiled Bolsheviks. Krasin, until his death in London in 1926, was one of the principal Western trade negotiators for the Bolshevik regime.

The Parvus network consisted of the core group of a Western intelligence project which held the major share in a peculiar sort of "joint stock company;" Eastern shareholders as well as Western, which is sometimes termed

the “**Trust**” by Western intelligence historians. From the Soviet side, the relevant point is, that this **Office of Foreign Concessionaires** was headed and controlled by the same person who headed the secret **Cheka** police organization, **Feliks Dzerzhinskii**, after its founding in the early 1920s.

Networks deployed and significantly controlled by certain aristocratic families — Eastern and Western — and financier interests, created the Bolshevik state in Russia as part of a much larger conspiracy of evil destruction which, in the 1930s, also created the “right-wing” variant of the same gnostic totalitarianism: Nazism.

Although Parvus himself was refused admission into Bolshevik Russia (perhaps Lenin preferred not to publicize Parvus’ sponsorship of his successful coup), Parvus’ network exercised significant control over key features of the new Bolshevik synthetic state apparatus. After November 1917, Jakob Hanecki-Fürstenberg was brought to Russia to become the head of the Bolshevik’s new foreign trade bank. The Swedish **Olof Aschberg**, whose **Nya Banken** was instrumental in the financing operation, was named “honorary” president of the Bolshevik foreign trade bank.

Another member of the troika, Uritski-Boretsky, founded Lenin’s **Cheka**, the predecessor of today’s **KGB**. When he was assassinated in 1918, he was replaced by **Feliks Dzerzhinskii**, another Polish-born figure in the “Trust” apparatus of the Western aristocracy backing the Bolshevik project. **Krasin** was a close friend of the Capri-trained Bolshevik cultural strategist, **Maxim Gorki**, as well as of **Maxim Litvinov**.

Revolution — the “Swedish way”



Sven-Olof Håkansson, a “fixer” for ASEA’s technology smuggling, ended up in jail.

The above is relevant background to understand the actual network of support which dictated, that the First International Foreign Bureau of Bolshevik intelligence be based in Sweden, not in Switzerland or elsewhere. But, now jump ahead in time for a moment. In the Spring of 1986, a small wire story was carried in many Western papers: The story related, that a Swedish company, **ASEA AB**, had agreed to pay a fine of \$440,000 dollars for illegal reexport of sensitive American computer technology via Sweden to the Soviet Union and other Warsaw Pact nations. A lower official of the firm, Bertram Brinkeborn was made the scapegoat.

In the period of late 1983 into 1984, a significant pattern of major violations of American **Pentagon** restrictions for export of militarily sensitive computer equipment was uncovered, running most often via Hamburg, West Germany, organized by exporter and illegal arms dealer, **Richard Müller**, into Sweden. From Sweden, customs police learned, that the sensitive computers were taken into warehouses of a wholly-owned subsidiary of the powerful **Wallenberg** group of interlocked financial and corporate interests. One such case, known in Sweden as the “ASEA Affair,” involved Wallenberg’s high technology robotics and electrical multinational.

Since at least the 1970s, ASEA ran operations involving illegal smuggling of militarily sensitive American technology into the Soviet Bloc. Using a U.S. daughter company, **ASEA Venture Capital, Inc.**, ASEA “invested” in U.S. high-tech companies making industrial robotics, computers and related vital equipment. In 1979, the same ASEA, and its Stanford-trained managing director, **Percy Barnevik**, signed a contract allegedly to supply technology for a modern steel plant near Moscow.

ASEA’s “fixer” for much of its illegal technology smuggling, now serving prison time as the “scape-goat,” was **Sven-Olof Håkansson**. What ended up in Soviet hands, via various ASEA ties in the United States, was computer equipment so sensitive, that the U.S. government threatened in early 1984 to freeze ASEA on an official blacklist from obtaining vital U.S. technology. Financing of Håkansson’s ASEA-Soviet operations was arranged via a secret account at a Swiss bank. ASEA’s Barnevik successfully covered up the ASEA Affair in Washington, reportedly with important help from **Henry Kissinger** and select Pentagon friends, particularly **Richard Perle**.

In April, 1984, an American court fined another of the Wallenberg group of companies, **Ericsson**, maker of sensitive electronic and telecommunications equipment. The charge was that an Ericsson subsidiary, **DataSaab**,

illegally sold and installed a highly advanced American military radar system in the Soviet Union in the late 1970s, under the cover of selling commercial air-traffic control systems. Judge Gerhard Gesell of the Federal District Court of Washington, D.C. fined Ericsson and its subsidiary DataSaab \$3 million, in what the U.S. prosecuting attorney called the most serious technology transfer breach since 1946. Government testimony in court records revealed at that time, that the equipment substantially increased the ability of the Soviets to defend against manned bombers, and better coordinate air-attacks on Western Europe and Central Asia.

The attorney for DataSaab was the notorious Washington lawyer and Kissinger-crony, **Edward Bennett Williams**. Kissinger himself was on a consulting retainer to the Wallenberg companies at this time, through his **Kissinger Associates, Inc.**, on whose Board of Directors sits another Wallenberg partner, Volvo's **Pehr Gyllenhammar**. The explosive Wallenberg-Soviet technology smuggling case was quickly swept under the rug, reportedly with the assistance of Israeli-intelligence tied Pentagon chief for sensitive technology control, **Richard Perle**, who made a rush trip to Sweden in June of 1984. It is believed, that Kissinger's old friend, today dean of the Washington, D.C. diplomatic corps, Swedish ambassador **Count Wilhelm Wachtmeister** also played a hand, and **Peter Wallenberg**, successor to the family interests, also rushed into Washington to confer with old friend Kissinger.

The implications of the above should be kept in mind, now, when going back to the investigation of the actual events at the time of World War I, and the Bolshevik coup of 1917. The significant family name is that of Sweden's leading financier and industrialist, Marcus Wallenberg.

A strange dynasty

In the period of World War I, and into the 1920s, one of the most influential private banking families in Scandinavia was that of the brothers **Knut and Marcus Wallenberg**. Their powerful position, dominating financing of the most important mining and electrical industries in Sweden and Norway at the turn of the century, was aided by ties with the powerful London **Hambros Bank**.

But there is another, less public, side to the family banking activities, which is relevant to the present investigation. The Wallenberg family bank, **Stockholms Enskilda Bank**, was deeply involved in the covert financial operations backing the Bolshevik coup d'état. From their head offices at Kungsträdgårdsgatan 8, the bank made huge profits from covertly breaking the Western economic blockade of the Bolshevik regime after 1917. One police informant has documented for Swedish police archives, that in November 1918, Bolshevik couriers changed 50 million rubles into British and American hard currency at the Wallenberg's Enskilda Bank. At this time, Stockholm was the designated covert foreign exchange center for international Bolshevik government operations. Wallenberg's bank, and the related banking operations of the lesser **Olof Aschberg**, as well as Wallenberg friend **Ernfrid Browaldh** of **Svenska Handelsbanken**.

According to Swedish police records at the time, Stockholm's Social Democratic mayor **Carl Lindhagen**, whose political machine lasted a remarkable 27 years until 1930, was the conduit of at least ten million rubles in 1918 from Parvus "troika" member Vorovski-Orlovski, reportedly destined to aid the Bolshevik cause in the United States and elsewhere. This illegal money channeling operation can be documented personally by **Dr. Armand Hammer**, whose father, **Julius**, another Odessa émigré, was at that time a financial conduit for "international" funds to the **Communist Party of the USA**. What is clear from extant records and published accounts, is, that **Stockholm's Enskilda Bank** and then-Chairman **Marcus Wallenberg**, were fully complicit in the covert Bolshevik currency operations as well as in the operations of Stockholm mayor Lindhagen. But old Marcus Wallenberg was no common Bolshevik ideologue. Nor does profit seem to be the dominant motive.

Marcus Wallenberg's brother, also director of the family Enskilda Bank, was probably in a position to help Sweden to become the Bolsheviks'

choice staging ground at that time for international financial (and other) operations. Knut Wallenberg was foreign minister of the conservative Hammar skjöld regime which governed Sweden from 1914-1917. His policy of "neutrality" in the war included "active" cultivation of relations with all of the belligerents.

Clearly, the family bank business did not suffer. It should be noted, that the Wallenberg family was also a major financial backer of the anti-Christian operations of Swedish Lutheran **Archbishop Nathan Söderblom** at this time, founder of the World Council of Churches, whose founding premise is theological unity with the anti-*filioque* Russian Orthodox Church. Knut Wallenberg financed construction of a church at the family resort area of Saltsjöbaden in the Stockholm archipelago in the period before World War I, especially for the promotion of Söderblom's cultish Eastern mysticism. To this day, the walls are covered with cultish Eastern mystical iconography more reminiscent of a Moscow Orthodox church than a Western Christian church.

There are close ties between Bolshevik banker **Olof Aschberg** and Wallenberg's **Enskilda Bank** as well. Aschberg's business partner, **Josef Nachmansson**, is also on the board of Enskilda Bank.

Aschberg was also well-connected in his own right. His **Nya Banken** was set up in 1912 as a *project* by select families to be the bank for the considerable Swedish Trade Union funds, and thereby control the rapidly growing socialist trade-union movement in the country. Aschberg's family fortunes earlier rose rapidly when his Russian émigré father became "liverer to the King," a not unimportant social post in turn-of-century Sweden. Aschberg himself did his Swedish military service as one of select Royal Palace guards.

There is evidence, that the ambitious young Aschberg was picked out and groomed by these royal friends for a larger project. The fact, that Aschberg's 1912 board of his Nya Banken included **Tor Bonnier** of the reclusive and all-powerful Swedish publishing family, which today controls *Dagens Nyheter* and *Expressen*, and dominates all book publishing in Sweden, is not irrelevant. Nor was the fact, that Aschberg became the personal financial "manager" of Swedish Social Democratic Party head and eugenics racist advocate, **Hjalmar Branting**, irrelevant.

Most relevant for the present investigation, is the process by which Aschberg's new and relatively inexperienced Nya Banken rose to the top circles of international finance during World War I. Aschberg was selected to conduit illegal business dealings between wartime Germany and Russia. He rose to deal on a first name basis with the leading international bankers of **Kuhn, Loeb** (Jacob Schiff), **Morgan Guaranty**, **National City Bank** (Citibank) and **Lee, Higginson** — Wall Street's top London-linked investment banks.

When Aschberg's Nya Banken was blacklisted by Germany and the Entente powers in 1917 for Aschberg's open advocacy of trade links with Russia, it was Wallenberg's Enskilda Bank which arranged to incorporate the Nya Banken, which then disappeared from its brief, if prominent, place in the world of international banking. Aschberg's activities were continued under cover of a trading company, **AB Ekonomibolag**. From this shell company, in 1919, Aschberg became a conduit for the besieged Bolsheviks to bypass the Western economic blockade. The Soviets based their foreign trade office in Reval (Estonia). From there the Bolsheviks smuggled gold, primarily destined for USA and France.

Aschberg's role was to "launder" this embargoed Russian gold. This he did through his friends in high Swedish places. He arranged for the Royal Swedish Mint to take the Russian gold bars, melt them down to eliminate the Russian mint marking, and replace it with the Royal Swedish emblem. By 1920, Aschberg was meeting with Soviet foreign trade emissary and "Trust" liaison, **Litvinov**, to attempt a major break of the Western economic blockade by establishing a major Swedish-Soviet trade treaty. While he did not succeed in that, the Swedish-Soviet channels were firmly established.

Moscow boasts of early Swedish ties

At this point, it is efficient for the investigation to turn ahead once more, this time to January 1986. Moscow published a most remarkable article in the Soviet foreign ministry journal, *International Affairs*, No. 1, 1986, by one **Yuri Denisov**. Only weeks before the assassination of Palme, *International Affairs* ran a feature titled, simply, "U.S.S.R.-Sweden: To Promote Good-neighbourliness." This revealing article is referred to elsewhere in this report. For present purposes, note the following quote:

"On Dec. 28, 1917, immediately after the Great October Socialist Revolution, Lenin signed a document establishing a representation of the Russian Federation in Stockholm. The Soviet representatives, under direct instructions from Lenin ... were pressing for Sweden to become a kind of 'window to Europe' for blockaded Russia. *The first Soviet trade agreement with a Western firm was the contract concluded with [Axel Ax:son] Johnson Co. in May, 1918.*" (Emphasis added.)

And, Denisov continues:

"[I]n the early 1920s, the cooperation between Soviet Russia and Sweden was a factor of certain importance in European affairs. Indeed, amidst the blockade and foreign intervention, the world community could not fail to take notice of transactions between the two countries, like the contract with a group of Swedish firms on a commodity exchange worth 100 million kronor, the delivery of equipment for the early Soviet power generation projects, and the famous contract for the construction of 1,000 steam locomotives for Soviet Russia."

What Denisov chose not to say in this revealing piece, is that it was the network of **Olof Aschberg** and the **Wallenberg** group of industries such as **ASEA** and **Nohab** which joined with their friend Axel Ax:son Johnson, who became a board member of Wallenberg's **Enskilda Bank**, while this Soviet trade was booming. These are the "friends of the Bolsheviks" in Sweden, who established the extraordinary and continuing close relations with U.S.S.R. agencies in the period more than 71 years ago. This Swedish network was, and to all indications, is again today, wittingly involved as a major Western "joint stock owner" of the espionage, economic warfare and assassination bureau which was then termed the "**Trust**," by British and other intelligence insiders.

From "Third Rome" to "Third Reich" ... and back

The investigation will now turn to the behavior of this network during the 1930s and World War II. While the pathetic Olof Aschberg was conveniently retired in the early 1920s as a minor figure by this network, much of this "Trust" joint holding company of Western channels into the Bolshevik dictatorship was systematically closed down by the succession of **Josef Stalin** after Lenin's death in 1924.

Stalin's brutal shift to a more national-autarchic economic and military mode for Russia by the late 1920s, which was the real issue behind the smokescreen of the Stalin vs. **Trotsky** debate about "socialism in one country" vs. "world revolution," temporarily closed off the use of Bolshevik Russia as a staging ground for the long term project of their sponsoring Venetian, Swedish and other aristocracy and financiers. By the mid-to-late 1920s, the same leading families in Europe and the U.S. shifted from concentration on "Moscow as the Third and Final Rome" to cultivation of the "Hitler project."

Stalin's xenophobic Russia left them no choice. These same families developed a second major option to destroy Western Judeo-Christian culture — Hitler's **Third Reich**. There was a significant ideological and operational Russian contribution to the rise of the Nazi movement itself. Most of the ideology was simply transplanted from Fyodor Dostoevskii's mystical Russian Eastern cultism by Friedrich Nietzsche and Sweden's August Strindberg.



Marcus Wallenberg (1864-1943), deployed son Jacob to Berlin and son Marcus to London, cultivating both sides during the war.

The Swedish network, operating from the top levels of the Royal house of **King Gustav V** at that time, cultivated this "right wing" experiment of Nazism as enthusiastically as they had previously cultivated the Bolshevik option — both totalitarian systems based on the Sparta state model of ancient Greece.

The same Wallenbergs who only months earlier were illegally aiding the fledgling Bolshevik state, in the 1920s redeployed to help in the creation of the **Hjalmar Schacht** operation of Hitler's Third Reich. The aim was the same — use of these state terror machines to savage Western civilization in behalf of a new dark age Byzantine or Roman-style Empire. These aristocratic financier families would emerge, using the base of control of the most modern advanced Western science and industry, to destroy real scientific and industrial progress in the world.

Late in the last century, the Swedish oligarchy was in intense factional debate over whether to try openly to destroy modern industrialism, which they saw as an imminent threat to their continued feudal-based power, or, as they finally resolved, to control it from the top through control of credit and banking, and use this industrial base as a lever of far greater power. For various reasons, in Sweden, this oligarchy choose the Wallenberg family as their most trusted vehicle for this control.

Marcus Laurentius Wallenberg, brother to Swedish banker and Foreign Minister **Knut Wallenberg**, became chairman of the committee to reorganize German industry after Versailles, and supervised deliveries of raw materials to Germany under the punitive **Dawes Plan** of 1924-25. From 1930, the senior Wallenberg played a major role in the bankers' **Young Plan** for Germany, which helped to lay the economic basis for the 1933 **Hitler** seizure of power.

At this same time, the Wallenbergs became involved in the secret rearming of Nazi Germany in the early 1930s through their control of Swedish iron ore, armaments and ball bearing manufacture. The Wallenberg **Enskilda Bank** was, and is, the control center for **SKF**, then the world's virtual monopoly manufacturer of ball bearings essential for tank, aircraft or truck production. It also controlled the huge and rich iron ore reserves near Kiruna, **LKAB**, without which **Krupp's** high quality armaments works would have shut down. In the 1930s, Sweden was the world's leading exporter of iron ore, of the highest quality. This flow of strategic materials to the Nazi war economy continued from Sweden without interruption until the last days of World War II.

Wallenberg operations were carried out with another Swede, and close friend of King Gustav V. **Axel Wenner-Gren**, founder of the Swedish **Electrolux Company**, was president, and then chairman, of the **Bofors** armaments company of Sweden, through which **Krupp**, secretly, kept armaments production going in violation of Versailles. **Axel Wenner-Gren**, the mysterious man, who in ten short years, beginning in the 1920s, rose to become "Sweden's wealthiest man," belonged to the inner Wallenberg circle. **Jacob Wallenberg**, the elder son of Marcus Wallenberg, Sr., worked closely with **Wenner-Gren** in Berlin from the first days of Hitler's dictatorship until 1944.

Axel Wenner-Gren: Nazi viking

The details of **Axel Wenner-Gren's** history as one of the most influential agents of Nazi financial and espionage operations in Western Europe, Ibero-America, and the United States, are a matter of public record. **Wenner-Gren** was an intimate friend of **Hermann Göring**, Hitler's closest collaborator. **Göring's** first wife was the sister-in-law of the head of the aristocratic Swedish **von Rosen** family, whose coat of arms was centered around a Swastika symbol. Until the Nazi collapse, **Göring** reportedly had a terrified awe regarding his ties to circles in Sweden. This has much to do with the fact, that Sweden remained "neutral" during World War II. Both Soviet and Nazi camps find friends in high places there.

Wenner-Gren, working with **Electrolux**, **Bofors**, **Alfa-Laval**, and other Wallenberg companies, used Sweden's neutral position to control strategic production of ball bearings. Wallenberg and **Wenner-Gren's** man in

Washington, SKF manager **William L. Batt**, sat on the U.S. **War Production Board**! Another U.S. SKF manager was the Swede **Hugo von Rosen**, second cousin by marriage to Göring. Under orders from Sweden to von Rosen, Batt, as vice chairman of the War Production Board, rationed scarce industrial supplies to American defense industries, while SKF subsidiaries in Latin America covertly diverted American-made SKF ball bearings to Germany. National City Bank (Citibank) played an essential role in the financing of this treasonous operation.

Wenner-Gren promoted world Nazi cultism during the 1930s and 1940s by founding the **Wenner-Gren Foundation for Anthropological Research**, to run primitive Indian and other subversions, as well as guns, into countries like Peru. Wenner-Gren, when he was blacklisted in the United States, relocated his base to Mexico and the Paradise Island estate he built, "Shangri-La," named after Swedish pro-Nazi cultist and geopolitician Sven Hedin's writings on Tibet.

After the war this same Paradise Island was to become the headquarters of the narcotics and assassination complex of **Resorts International/Intertel**. During the war, Wenner-Gren built a communications-espionage capability to aid the underground Nazi intelligence run out of Ibero-America, using the Swedish-owned telephone company in Mexico, **Telefon AB L.M. Ericsson**.

In Mexico during the war, according to Swedish and American documentary sources, Wenner-Gren maintained close ties to **Nelson Rockefeller's** U.S.-based CIA espionage operations in Mexico and Venezuela. He was known then as the Nazi "Axis Super Agent for the Western Hemisphere," according to the account of the 1942 American "National Biography." Wenner-Gren's wartime control of Mexican organized crime, via ownership of the horse track *Hipodromo de Las Americas* with the notorious **Bruno Pagliai**, and the narco-mafia of former Mexican President and Kissinger crony, **Miguel Aleman**, are also matter of record.

On his return to Sweden in 1946, following seven years abroad, Wenner-Gren, stigmatized too fully with his Nazi ventures, arranged a quiet transfer of his industrial holdings to the industrial group of the two largest and most important private banks in Sweden. Over the next several years, Wallenbergs' **Enskilda Bank** assumed control of **SKF**, **Bofors**, **Svenska Cellulosa AB**, and later, **Electrolux** and **Alfa-Laval**. Wenner-Gren's old friend, previously involved in laundering Bolshevik gold in the 1918 period, **Ernfrid Browaldh**, and his banker son, **Tore Browaldh**, at **Svenska Handelsbanken**, were his agents in this corporate reorganization.

Then, operating with enormous funds from his Paradise Island, Bahamas headquarters, Axel Wenner-Gren, using capital from sale of his L.M. Ericsson Mexico company, set up a dummy holding company, **Alweg Forschung GmbH**, outside Cologne, West Germany. In 1951, when **John J. McCloy** personally intervened to secure the release of **Alfried Krupp von Bohlen und Halbach**, one silent old friend stood outside the prison to greet him — Axel Wenner-Gren. Alweg Forschung GmbH quietly began to buy shares of **Gusstahlwerk Bochumer Verein**, one of the "crown jewels" of Krupp's wartime industries.

By 1959, Alfried Krupp had selected a young East German émigré, **Bertold Beitz**, to succeed him as head of the reorganized Krupp empire. He took Beitz to Paradise Island for a secret conference with Axel Wenner-Gren. In strict violation of the 1952 so-called "Krupp Treaty," Wenner-Gren had secretly arranged to transfer control of the Gusstahlwerk Bochumer Verein to Krupp and his protege Beitz. But, again, by the end of the 1950s, more than one major shift in the winds of world politics was evident. Beitz moved with ease between old Nazi and Soviet networks.

Today, Beitz chairs the **Institute for East-West Security Studies**, a New York-based intelligence operation involved in running East German and Soviet intelligence operations into the United States. Beitz is most well-known for his plans to integrate the Western European and Soviet-Eastern European economies, on the basis of a "division of labor" between skilled labor and high-tech from the West, and a large market and cheap-labor and



When Alfried Krupp was released from prison in 1951, he was greeted outside by one old friend, Axel Wenner-Gren.

raw materials from the East. Beitz has been one of West German industry's most energetic promoters of closer trade with Eastern Europe in his years at Krupp.

Soviet Plan 42-A

Recently declassified U.S. military intelligence documents from the immediate post-war period shed additional light on an apparently bizarre shift of certain Western intelligence networks, previously integral to the Nazi cause, to become agents of a revived Soviet empire. The original investigation into today's Swedish friends of Moscow's imperial cause requires a brief explanation of this shift.

U.S. Military Attaché to Mexico, **Brigadier General James H. Walker**, in a Feb. 13, 1946 report on Nazi activity in Latin America, reported to his Washington superiors on Soviet secret intelligence (**KGB** and **GRU**) plans in the post-war period to consolidate a Soviet intelligence base of operations in Central America, incorporating remnants of the extensive Nazi intelligence assets. Gen. Walker described an original German High Command strategy for isolating the U.S. war economy from vital Latin American raw materials, drafted in 1943 and code-named **Plan 42-A**.

On the basis of intelligence documents accessible in Mexico in the immediate post-war period, Walker reported that **Miguel Aleman**, old friend of Axel Wenner-Gren, should be boosted to the Mexican presidency by a coalition of old Nazi interests and Communist party support. He noted that in that period, not one single known Nazi in Mexico was attacked by the Mexican Communist party press, while repeated attacks occurred on non-Nazi German nationals, accusing them of being "Nazis." The report documented a "transfer of assets" from the secret Nazi intelligence networks to the patronage of post-war Soviet intelligence, detailing that process in Mexico, Cuba, Haiti, Dominican Republic, Guatemala and Central America. These networks are directly the nest of Axel Wenner-Gren, as already pointed out.

The point of reference, for the immediate purpose here, is that large Western secret intelligence networks were transferred, once the ultimate defeat of the Nazi option was clear in 1943, to accomplish the same totalitarian goal of one world empire, via the Russian option. By 1959, when Axel Wenner-Gren met the ambitious East German émigré, **Berthold Beitz**, the Western aristocratic élite families, once again, had decided to pursue their "Moscow Third Rome" option, now that Stalin was dead. From the standpoint of strategy, both the Nazi and the Bolshevik Russian ideology were based on a seething contempt for Western Augustinian cultural values.

Wallenbergs lead the way for detente

During the war, the two Wallenberg sons of the old **Enskilda Bank** chairman were deployed to cover both major contingencies of the post-war world. Son Jacob was sent to Berlin, where he ensured delivery of Wenner-Gren's **SKF** ball bearings and Swedish iron ore, shipped on **Axel Ax:son Johnson's** ships from Narvik, Norway to Hamburg and Bremen. Without this raw material input, the German war machine would have ground to a halt. The 1940 Nazi occupation of Norway and Denmark, while leaving Sweden untouched, was conducted to secure these Swedish supplies, under imminent threat of British moves against Norway.

Sweden's loyalties were never questioned by **Göring**. In Berlin, where he was based from 1934-1944, **Jacob Wallenberg** was the Swedish government's representative to oversee the Swedish-German Trade Agreement, which kept the Wehrmacht moving across Europe and North Africa. The tons of high-grade Swedish iron ore from **LKAB** mines in the Kiruna region, together with Wallenberg's **SKF** ball bearings, and other vital materials to feed Göring's military industry, were all carried down from "neutral" Sweden, aboard the ships of Wallenberg bank director and first Soviet trade partner, Axel Ax:son Johnson.

While brother Jacob was busy in Berlin, brother **Marcus Wallenberg** was sent to London to cultivate appropriate ties on the Anglo-American side. After the German defeat at Stalingrad in 1943 made the ultimate course of

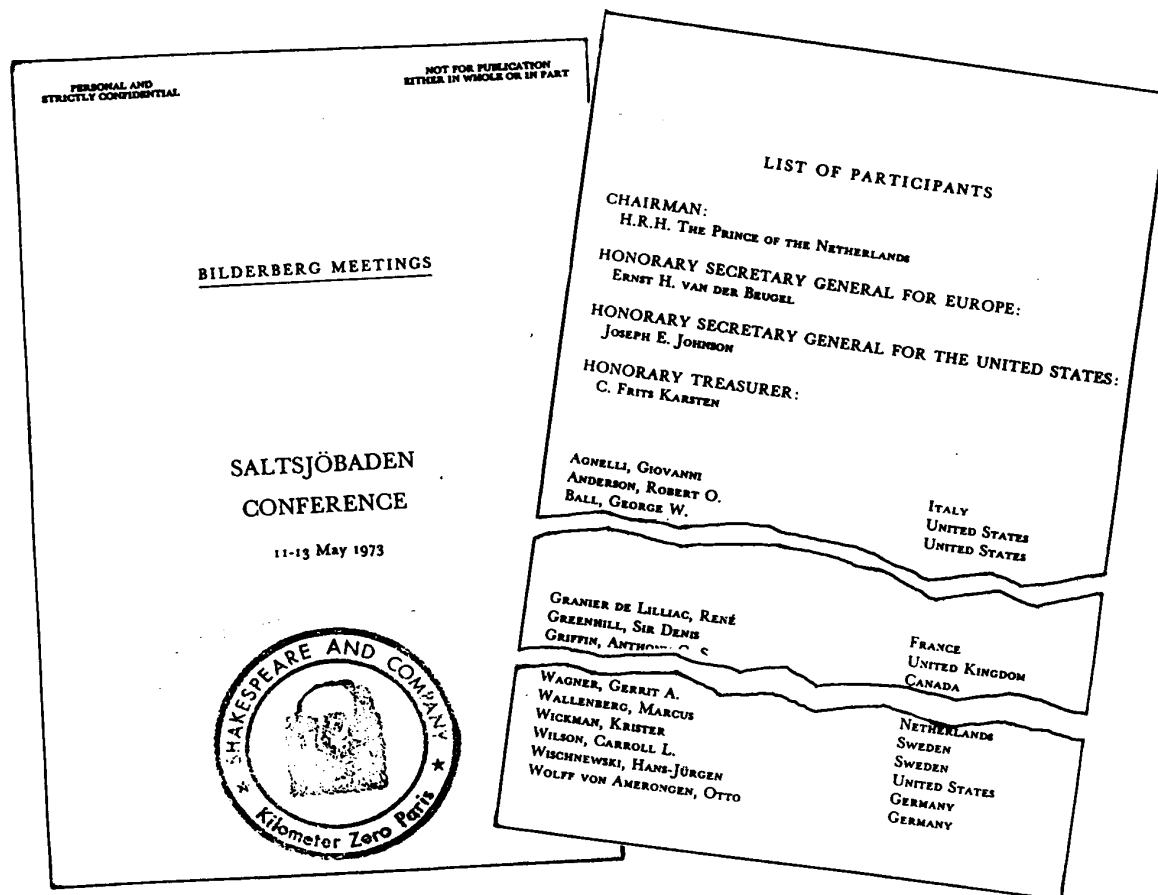
the war clear, the Wallenberg interests made a great propaganda effort, through Marcus in London and later New York, to play up Swedish-American ties.

Marcus Wallenberg, Jr., who became managing director of the family **Enskilda Bank** in 1946, following the death of his father, also became a founding member of the highly powerful and secretive post-war financier élite known as the **Bilderberg Group**. Confidential sources indicate, that it was at the May, 1973, Bilderberg Group meeting, held on the Wallenberg resort in Saltsjöbaden, outside Stockholm, where Marcus Wallenberg, **ARCO Oil Company's Robert O. Anderson**, and others, planned the Winter 1973 "OPEC" oil shock, which raised world energy costs 400 percent and triggered the present world economic depression into high rates of collapse. Then U.S. Secretary of State, **Henry Kissinger**, another member of the Bilderberg Group, played a critical role in manipulating Arab OPEC perceptions, to call the boycott which resulted in the 400 percent rise of world oil prices.

By 1958, Marcus Wallenberg was chairman of the most powerful group of Swedish industries, among them, **L.M. Ericsson**; the **ASEA** company which sold the original electrical equipment to Soviet Russia only 25 years before; **SAS Airlines**; and **SAAB**, an aircraft and vehicle maker. His brother Jacob, chairman of the family **Enskilda Bank**, was also chairman of **SKF**; **Ivar Kreuger's** old **Swedish Match** empire; **Stora Kopparberg** mining company; the **Swedish East Asia Company**; and several other major industrial companies, all with extensive foreign operations and export orientation.

With this in mind, it is hardly surprising, that when the Soviets decided to test the Western élites' offer to rejoin the old 1917-24 "Trust" joint ven-

Marcus Wallenberg, founding member of the secretive Bilderberg Group, hosted its 1973 Saltsjöbaden conference. Other participants included ARCO Oil Company's Robert O. Anderson, FIAT's Giovanni Agnelli, British Petroleum's Sir Denis Greenhill, and Otto Wolff von Amerongen of the German Industry and Trade Council. Sources say it was here that the Winter 1973-4 "OPEC" oil shock was plotted.



ture, to destroy Western republican civilization in favor of some version of a **Bertrand Russell** "one world government;" their old friends from Sweden headed the list of prospective collaborators.

Sweden's much-heralded "neutrality," as well as the carefully cultivated Wallenberg ties, especially with Wall Street financial circles, were no doubt major factors favoring the choice of this "Northern Route." When trade and other channels were reopened in the late 1960s, under the Kissinger "detente" strategy, the Wallenberg group was at the center of resumption of the earlier "Trust" relations with Moscow. The Russians, it is reported by experienced businessmen, prefer to do business only with Western companies they "know and trust."

Wallenberg and Moscow today

With their rich experience in financing both Bolshevik Russian and Nazi international activities then, it is not surprising, that following the death of Stalin in 1953, when Moscow reopened negotiations with Western financial élites, the **Wallenbergs** and a select network of Swedish businessmen were in the middle of these operations.

Western intelligence sources have charged, that the earlier cited incidents of technology espionage and smuggling to Soviet Russia by several Wallenberg companies in the late 1970s, is no aberration of culpable lower level employees. The allegation being investigated is that, since at least the 1960s, and most probably, far, far earlier, the nexus of interlocked companies and banks which comprise the so-called Wallenberg group in Sweden, function in a manner similar to their earlier role on behalf of the "Trust" of the 1920s: as one of the most important Western bases of industrial espionage, in the service of creating a Moscow-dominated "one world government," as the late **Bertrand Russell** termed it.

It is also said, that the extensive presence of this Wallenberg corporate network in several Ibero-American debtor nations, is used to feed crucial intelligence into Wallenberg-associated **Citibank** through **Edward L. Palmer**, and others. This inside intelligence which the Swedish associates of **Henry Kissinger** have in such countries as Brazil, Mexico or Argentina, is reportedly one reason why the debt crisis has continued to destroy relations between the U.S. government and trade allies in Ibero-America. In this process, Soviet grand strategy is the ultimate gainer.

Only in one special sense could this Wallenberg-Gyllenhammar group be termed agencies of Soviet intelligence. The families behind this Swedish corporate empire, since at least the 1966 creation of the **Stockholm International Peace Research Institute (SIPRI)** as a key East-West channel, have been committed to the project for a "New Yalta" agreement.

In the context of an appeasement policy towards Moscow, the United States, under the terms of such a scenario, would be relegated to the minor status of a bankrupt has-been superpower, with the integration of Western Europe into a "Greater Europe" environment, in which the Soviets would have an overwhelmingly dominating role.

Gyllenhammar and Gvishiani

It is a matter of public record, that, of the very few Western banks which have representative offices in Moscow, two Swedish banks, Wallenberg's, which is now called **Skandinaviska Enskilda Banken**, and the interlocked **Svenska Handelsbanken** of Volvo and Kissinger associate **Pehr Gyllenhammar**, stand beside David Rockefeller's **Chase Manhattan Bank** in Moscow's Western financial district. The two big Swedish international banks both have significant operations in the U.S.S.R.

Axel Ax:son Johnson, one of northern Europe's largest corporate conglomerates today, in the manner of the huge Japanese trading companies and shipping firms, is a major factor in ongoing trading with the Soviet Union, especially, until most recently, in Soviet crude oil. Today, **The Johnson Group** is headed by the daughter of Axel Ax:son Johnson, Jr., **Antonia Mörner Johnson**, who followed Axel's steps into the board of Wallenberg's Enskilda Banken.

Appropriately, Antonia Johnson's husband, **Göran Ennerfelt**, is a vice chairman of the **Swedish Committee to Develop Trade Between Sweden and**

the **Soviet Union**. Ennerfelt is also deputy head of the **East Economic Bureau** of the **Swedish Ironmasters' Association**, and a member of the **Wells Fargo Bank** international advisory council. Wells Fargo has been involved in major illegal currency operations.

Today, Axel Ax:son Johnson, Jr. houses the Swedish headquarters of the virulently anti-technology **World Wildlife Fund**. Soviet sponsorship of "environmentalism" dates to the 1960s, when KGB official **Dzhermen Gvishiani** launched the project with Western "Trust" collaborators **Aurelio Peccei** and **Alexander King**. Gvishiani is often in Stockholm, especially since the Reagan Administration cut funds for his **International Institute for Applied Systems Analysis (IIASA)** at Laxenberg, Austria.

In 1982, following disclosure that Soviet intelligence had intersected the powerful military **CRAY-1** computers at Aldermaston and the USA by using the **IIASA** in Austria, the U.S. administration ceased funding to **IIASA** on grounds that it was a Soviet espionage operation into the West. At that point, Gvishiani, who remained as head of **IIASA**, quietly shifted his base of operations to the **International Federation of Institutes for Advanced Study (IFIAS)**, based at the King's **Ulriksdal Palace** outside Stockholm. **IFIAS** is a project funded by the Wallenberg family. **IFIAS** director **Sam Nilsson** was hand-picked to head the environmentalist think-tank. Nilsson is a leading member of Gvishiani's **Club of Rome**.

Dzhermen Gvishiani is no stranger to Wallenberg group fellow, **Pehr Gyllenhammar**, either. Beginning 1972, according to published reports, Gyllenhammar had active personal contact with top Soviet intelligence man Gvishiani. Using the cover as board member of Robert O. Anderson's **Aspen Institute for Humanistic Studies**, Pehr Gyllenhammar maintains intimate ties to the Gvishiani intelligence networks of the East.

Gyllenhammar has attempted to discretely downplay this more direct East Bloc tie since that time, portraying himself as the latter day "King Arthur" of a select group of friends he chairs since 1983, the "**European Industrialists' Roundtable**." This unusual organization appears to function as a vehicle to pull together a "Mafia" of select European companies, all of them with extensive ties with the Soviet Union and with the **Trilateral Commission** network of **Henry Kissinger**.

Today, there is a nest of companies in Sweden, which is so incestuously interlinked that, despite liberalization of Swedish foreign investment laws in the recent years, it remains in the control of the same financial Mafia. This Mafia is the Wallenberg-Gyllenhammar group. There have been sporadic press headlines since the death of Marcus Wallenberg in 1982 of a battle between Gyllenhammar, the aggressive head of the Gothenberg group of **Volvo** and **Svenska Handelsbanken**, and the old Wallenberg empire, now headed by son **Peter Wallenberg**.

The stories are false. Peter Wallenberg is a "client" of **Kissinger Associates, Inc.**, of which Pehr Gyllenhammar is a founding partner, together with **Peter Lord Carrington** and **Robert O. Anderson**. It has been suggested, that the Swedish connection be looked at to obtain a correct evaluation of the strange and influential Kissinger consultancy organization.

But the talk of a battle between Gyllenhammar and Wallenberg has been very useful to fuel a speculative paper boom in the shares of those companies on the Stockholm Bourse, by all evidence one of the most tightly controlled and most corrupt in the Western industrial world. During 1979-83, sales of shares on the tiny unregulated Stockholm Bourse, **Fondbörsen**, increased a startling 2,400 percent. The daily average value of shares traded on the exchange soared from Skr 8 million in 1979, to Skr 197 million in 1983. It has continued to grow at similar rates with little interruption.

One such interruption, was the decision by Palme last Dec. 29, 1985 to order a special investigative commission to look into what was known as the "**Leo Affair**." The focus of that inquiry into alleged abuses of so-called insider trading practices by several companies in the Volvo Group, included **Sonessons** and directors of **Svenska Handelsbanken**, as well as Pehr



Volvo boss Pehr Gyllenhammar, a leading light of Kissinger Associates, Inc. and the Aspen Institute, maintains intimate ties to Eastern intelligence networks associated with KGB operative Dzhermen Gvishiani and Soviet sponsors of "environmentalism."

Gyllenhammar. Palme announced the formation of a commission to look into a series of irregularities in share trading involving Gyllenhammar, Bofors-Nobel Industries' **Erik Pensar**, and top officials of Handelsbanken.

Then, in the middle of February, 1986, two weeks before Palme's death, the Stockholm Bourse halted trading in shares of another Gyllenhammar-linked company, the **Fermenta AB**, whose chairman, **Refaat el-Sayed**, had just been exposed by a journalist linked to Palme's political apparatus as a fraud. Gyllenhammar ally **Gösta Bystedt**, chairman of Fermenta, is a senior executive of a Wallenberg-Gyllenhammar holding company, the old Wenner-Gren company, **Electrolux**. To make matters worse for the high-rolling Swedish stock trading practices of the Wallenberg-Gyllenhammar Mafia of companies, Palme's government announced plans to double to 2 percent the turnover tax on stock share trading on the Stockholm Bourse. Share values collapsed with the announcement in early February of this year.

The background to these timely stock scandals is worth considering here. In the Summer of 1985, in the midst of Palme's hard uphill battle for re-election, the media leaked existence of a confidential **International Monetary Fund (IMF)** report, which demanded, that the Swedish government take severe measures of austerity to bring its budget deficit and balance of payments under control. Palme's political machine, especially since the oil shocks of the 1970s and the period of high interest rates, had been financed by international borrowings on the bond market. The size of the state sector alone had risen from 44 percent of the Gross Domestic Product in 1970 to almost 70 percent by the mid-1980s.

To finance a growing series of public expenditures, Palme's government had expanded the state sector, and with it presumably the political base of his machine, by borrowing massively. With no net foreign debt a decade ago, by 1984 Sweden had a foreign debt near \$20 billion dollars. Calculated on a per capita basis, Sweden had built a foreign indebtedness three times that of the largest foreign debtor nation, Brazil! For ten years, Palme's Social Democratic machine had managed to squeeze greater austerity and wage concessions out of the centralized party-controlled trade union machine. Palme won re-election by a meagre margin in September 1985, with repeated promises of better times for the wage earners.

When the IMF demanded, that the re-elected Palme regime impose harsh budget austerity and inflation control last October, Palme turned to the labor unions for more. Large scale revolt and unprecedented wildcat strikes across the country from enraged workers was the response. According to one intelligence source, familiar with the inside of the Swedish political situation at that time, Palme was forced to back off from further austerity demands on his trade union base or face the collapse of his machine.

It was at this time he turned to the industrial Mafia which controls 30 percent of industrial production in the country, including its two most powerful banks and major export firms. The report is that when Palme pressured this industrial sector group of Gyllenhammar-Wallenberg to bail him out of his financial bind with the IMF, they in effect refused to play ball. Whether this is strictly accurate, or not, it is a matter of public record, as just noted, that Palme initiated a series of moves, directly and indirectly, which threatened the financial speculative heart of the highly-leveraged corporate stock operations of this Wallenberg-Gyllenhammar corporate Mafia.

The last move against this Wallenberg-Gyllenhammar group of companies came literally the day before Palme's murder, at the end of February, 1986. At that time, Palme's government publicly announced its decision to abide by the COCOM agreement, which limits sales to the East Bloc of technologies such as computers, and many others, deemed by the West of military importance to the Warsaw Pact. The Swedish high-technology companies which have been most active in trade with the Warsaw Pact, needless to say, are the Wallenberg-Gyllenhammar companies led by **ASEA**, **Bofors**, the **Johnson Group** and **Boliden**.

APPENDIX I:

Roundtable of European Industrialists

Pehr G. Gyllenhammar (Volvo, Sweden) — Chairman
Umberto Agnelli (Fiat, Italy) — Vice Chairman
Carlo De Benedetti (Olivetti, Italy)
Viscount Etienne Davignon (Sté Générale de Belgique, Belgium)
Wisse Dekker (Philips, Netherlands)
Karlheinz Kaske (Siemens, Germany)
Curt Nicolin (ASEA, Sweden)
Ian MacGregor (National Coal Board, UK)
Helmut Maucher (Nestle SA, Switzerland)
Louis von Planta (Ciba-Geigy, Switzerland)
Dieter Spethmann (Thyssen AG, Germany)
Jacopo Vittorelli (Pirelli SpA, Italy)
Kenneth Durham (Unilever Plc, UK)
Roger Fauroux (St. Gobain, France)
Georges Besse (Renault, France)
Klaus Liesen (Ruhrgas, Germany)
Antoine Riboud (BSN, France)
 (Each of these firms is a major participant in East Bloc trade activities, most of them for decades)

APPENDIX II:

Kissinger Associates, Inc.

Henry A. Kissinger (USA)
Pehr G. Gyllenhammar (Volvo, Sweden)
Robert O. Anderson (Atlantic Richfield Co., USA)
Peter Lord Carrington (UK, now NATO Secretary General)
John C. Haley (Chase Manhattan Bank, USA)
Lawrence S. Eagleburger (formerly U.S. State Department, USA)
William E. Simon (former U.S. Treasury Secretary)
Lord Roll of Ipsden (S.G. Warburg/Mercury Securities, UK)
Sir Y-K Kan (East Asian financier)
Dr. Saburo Okita (Japan)

Clients (selected) — **L.M. Ericsson, ASEA, Volvo, Chase Manhattan Bank, ARCO, Fiat, American Express, Montedison, S.G. Warburg bank** (Kissinger Associates, Inc. is one of the world's most costly and most elite corporate "consultancy" risk and international investment advisory firms, formed in 1982 in New York. Pehr G. Gyllenhammar, Kissinger, Robert O. Anderson and Peter Lord Carrington were the founders of this very private venture).

APPENDIX III:

International financial links of Gyllenhammar/Wallenberg

The international financial network which interlocks with the Gyllenhammar/Wallenberg group in Sweden is one of the most significant, if secretive, in modern international finance. Through their major holding in the highly secretive Swiss-Belgian financial holding company, **Pargesa Holding SA**, Geneva, Sweden's Gyllenhammar group links directly with the controversial USA "junk bond" financial mafia of the New York brokerage firm, **Drexel, Burnham, Lambert**. Drexel, Burnham has gained notoriety in recent weeks for being in the middle of a vast illegal international "insider trading" conspiracy, involving senior Drexel, Burnham executive, **David Levine**, and Swiss and Caribbean banks.

Gyllenhammar partner **Anders Wall** sits on the board of Pargesa as well as the board of Drexel, Burnham, Lambert. In 1985, Drexel, Burnham, Lambert reported doing \$47 billion dollars worth of business, primarily derived by financing an insider group of financial operators reported to be the old Meyer Lansky business empire interests, notably such names as **Steven Wynn** of Las Vegas' Golden Nugget Casino, **Carl Lindner**, **Carl Icahn**, **Vic Pösner**, and **Ivan Bösky**.

Pargesa is the holding company which runs the secretive empire connected with Belgium's **Albert Frère** and **Gérard Eskenazi**, and **Baron Léon Lambert** of the **Groupe Bruxelles Lambert**. The group also holds majority share in London's **Henry Ansbacher** merchant bank; the **Banque Internationale à Luxembourg**, a major Eurobond underwriter; **Paribas (Suisse)**, the second largest private Swiss bank; **Société Internationale de Banque**, the Paris merchant bank; and **Power Corporation of Canada**. The latter is a mysterious financial holding company linked to **Paul Desmarais** of Montreal, who was a major financial backer of former Canadian Prime Minister **Pierre Elliot Trudeau**. Desmarais is on the board of Pargesa and plays a major active role in managing Pargesa. Desmarais is also on the board of **Seagrams'**, the Montreal liquor empire of the **Edgar Bronfman** family. **Albert Frère's COBEPA** holding company, which owns a major share, together with the Volvo group, of Pargesa, also holds a major share in Desmarais' Power Corp. of Canada.

Pargesa Holding SA is also linked to the Swedish Wallenberg/Gyllenhammar networks via the **Banque Scandinave en Suisse SA**. That bank is managed by a Wallenberg man, Bofors chairman **Lars-Erik Thunholm**. Other top members of the bank's Geneva operations are **Andre Pfyffer d'Altishofen** of Lucerne, who sits on Pargesa's board, as President of Pargesa Holding SA; **Louis F. Dempsey** of Chicago; and **Claes von Dardel**, of the Wallenberg family group, and **Paavo Laitinen**, a banker in Helsinki, Finland. The Chicago connection of the Banque Scandinave leads to the **Northern Trust Company of Illinois**, a bank with other branches in the offshore Cayman Islands and Hong Kong. Northern Trust Corporation owns 22 percent control of the joint Geneva bank project. Skandinaviska Enskilda Banken's London affiliate, Scandinavian Bank Ltd., is the other and major controller of Banque Scandinave.

Albert Frère and the Swedish-tied Pargesa, in addition to its major holdings in Drexel, Burnham, Lambert, controls another New York investment house, **A.G. Becker, Warburg, Paribas** which had extensive ties among other things to speculative oil investments in the USA.

In addition to this Volvo-Pargesa tentacle of international financial control, the Swedish Gyllenhammar/Wallenberg group has an extremely important base in what has been described as the world's most secretive private banking center, Liechtenstein. Wallenberg man **Christian Norgren** is the chairman of the board of the Vaduz, Liechtenstein bank, **Bank in Liechtenstein A.G.** This bank is owned by the **Prince of Liechtenstein Foundation**. This bank is repository of one of the world's largest private fortunes, that of the Hapsburg family of **Prince Franz Josef II**, now being run by his son, **Prince Hans Adam**. This Hapsburg fortune ties directly back into Czechoslovakia.

Norgren, also associated with the board of the Wallenberg bank empire and the Wallenberg **ASEA AB**, runs a vast international, and totally secret investment network from Liechtenstein, which includes a New York subsidiary, **B.I.L. Management Inc.**, the **Transatlantic Capital Corporation** and the **Transatlantic Investment Corporation**, both of Boston, Massachusetts. These companies are involved in "joint ventures" with Wallenberg companies to get involved in American financial and industrial projects, mostly computer-linked high-technology. This, of course is precisely the area where Norgren's ASEA has evidenced most interest on behalf of its Soviet business clients in recent years.

Perhaps the most significant, if least-known, link of this Swedish financial mafia of the Gyllenhammar/Wallenberg group leads directly to the top of the oligarchy of Venice. Not only is Stockholm, as noted, referred to as

“The Venice of the North,” Wallenberg’s Swedish networks provide the financing for the restoration of the power and influence of Venice, perhaps the most important single center of Western oligarchical power and influence which is committed to a “New Yalta” arrangement with Moscow today.

Wallenberg’s hand-picked head of the **International Federation of Institutes for Advanced Study (IFIAS)**, in Stockholm, **Sam Nilsson**, is chairman of the association “Sweden for Venice,” and Wallenberg’s **Electrolux** reportedly finances a major part of the construction of a major international center at San Servolo in Venice, “**San Servolo Management Training Institute.**” The institute concentrates on training developing sector political control leadership, modern day *Gauleiter*, especially from Arab countries of the oil rich Middle East.

APPENDIX IV:

Swedish companies in Libya

Swedish companies maintain ongoing trade ties with a number of sensitive states, including every Latin American state involved in international narcotics traffic — Bolivia, Colombia, Venezuela, Brazil; Iran, Iraq and Libya. The involvement is concentrated around the Wallenberg/Gyllenhammar group of companies. Exemplary is the current, 1986, list of Swedish firms doing business in Libya, despite the American call for a Western economic boycott.

Swedish companies are led by **Volvo**, **Ericsson**, **ASEA**, **Electrolux** and **Skånska Construction**, another part of the Gyllenhammar/Wallenberg group. In addition, **Bofors/Nobel Industries** is involved in a highly illegal construction of an explosives factory in Khomeini’s Iran.

In the late 1970’s, a major scandal erupted inside Sweden, when it was revealed that the Swedish state-owned telecommunications company, **Televerket**, was involved in military-related high-technology training of Libyan soldiers in Sweden. The affair, known as the “Telub Affair,” indicated the nature of select Swedish industry ties to Moscow’s terrorist proxy state, Libya.